



JOINT ECONOMIC DEVELOPMENT VENTURE BETWEEN THE PROVIDENCE FOUNDATION DOWNTOWN IMPROVEMENT DISTRICT

The Providence Foundation and the Downtown Improvement District are forming a closer relationship for the purpose of creating a stronger voice for downtown, maximizing the resources within both groups and increasing efficiencies.

The first “joint venture” will focus on downtown’s greatest need: economic development, particularly in the office sector. For the last few months, representatives of the Boards and the staff of both groups have met and formulated a detailed action plan. **The action plan will address areas where the Foundation/DID can have the most influence and can complement the efforts of the Chamber, City and State.**

The action plan is NOT a comprehensive economic development strategy. First, it focuses on the office sector and not other sectors, although all sectors will benefit by the proposed action. Second, important location factors such as workforce issues, capital formation, and small business assistance, are addressed in other citywide and statewide studies and efforts.

The findings and recommended actions of the following studies provided input into the recommended action areas for the joint venture.

1. Knowledge Based Economy Study by the Greater Providence Chamber of Commerce, The Providence Foundation and others.
2. Providence Economic Development Strategic Work Plan, 2009-2014 based on a study by Basile, Baumann, Proust, Cole & Associates.
3. Marketing and Business Development Program for the Greater Providence Chamber of Commerce, 2008 by Angelou Economics.
4. Economic Growth Plan, 2009 by the Rhode Island Economic Development Corporation.
5. Creative Providence, A Cultural Plan for the Creative Sector, City of Providence, 2009.
6. Providence 2030: A Vision for Downtown by the Young Leadership Group of the Providence Foundation.

Much of the data used for analysis is contained in the reports listed in Section B above. The data in those reports will not be repeated. However, a few key data points regarding employment and office buildings in downtown are included here.

Private Sector Employment by Industry Type in Downtown Zip Code

Industry	2002	2005	2008
Finance and Insurance	5,315	4,563	4,486
Professional, Scientific and Technical	4,515	4,341	4,547
Information	3,059	2,686	2,541
Accommodation/Food	4,703	4,691	4,435
Education Services	7,241	7,163	6,036
Retail	2,237	2,190	2,177
Administrative and Support	2,860	2,735	2,805
Health Care and Social Assistance	9,367	9,928	10,766
Real Estate, Rental, Leasing	1,146	986	1,146
Other Services	763	1,733	1,878
Management of Companies and Enterprises	988	1,293	1,415
Arts and Entertainment	835	942	892
Other	4,240	2,203	2,119
Total	<u>47,269</u>	<u>45,454</u>	<u>45,243</u>

Source: Rhode Island Covered Employment; Annual City/Town Report by NAICS.

Office Building Data	12/1/2007	12/1/2008	12/1/2009
<i>Available Space:</i>			
Class A	193,414	181,350	353,656
Class B	520,503	571,459	565,752
Class C	182,800	161,269	174,395
<i>Total</i>	<i>896,717</i>	<i>914,078</i>	<i>1,093,803</i>
<i>Vacancy Rate:</i>			
Class A	10.81%	10.14%	19.50%
Class B	15.32%	16.67%	15.01%
Class C	21.19%	19.92%	22.49%
<i>Total</i>	<i>14.82%</i>	<i>15.17%</i>	<i>17.21%</i>
<i>Average Lease Rate:</i>			
Class A	\$30.45	\$30.89	\$30.36
Class B	\$21.27	\$21.58	\$21.07
Class C	\$16.86	\$18.11	\$17.47

Source: CB Richard Ellis, New England.

SPECIAL NOTE: The above data does not include the former Blue Cross buildings because they are still leased by Blue Cross for a few additional months. The VACANCY RATE INCREASED TO 22% IN EARLY 2010.

The studies listed in “B” above as well as other studies, emphasize the locational advantages and assets for office businesses in downtown. These include:

- Central location close to population and employees
- Close to hundreds of other businesses, government offices and courthouses; networking opportunities with thousands of people
- Superior transportation access and facilities including highway, bus and train services providing commuting choices for employees; easy access to airport; proximity to Boston
- Superior telecommunication services
- Proximity to universities and medical facilities including research facilities
- Access to business services, restaurants, retail, hotel, cultural and health facilities
- Walkable, historic, mixed use environment including several thousand housing units for employees
- A clean and safe environment
- Variety of office space less expensive than other cities

Downtown is home to more than 1,300 businesses which recognize these advantages and assets.

ACTION PLAN

With the large amount of office vacancy, there are opportunities to increase jobs in downtown, particularly due to the many locational advantages and assets in downtown. The action plan creates a roadmap to take maximum advantage of these opportunities.

The plan outline is divided into two areas: those in which The Providence Foundation and the Downtown Improvement District and their staff will take a leadership role in the implementation of the strategies and those in which they will play a supportive role. Strategies are included for all; actions and timeframes are included for those objectives in which the Foundation and the DID will take a leadership role.

1. OVERALL DOWNTOWN ECONOMY STRATEGIES (Leadership Role)

OBJECTIVE: To grow the downtown economy, particularly the office economy.

STRATEGY 1: Assist in implementing the recommendation of the Knowledge Based Economy Study, particularly in reference to design, medical, IT digital and other media, and computer software as well as programs to assist entrepreneurs and innovation (see Knowledge Based Economy Implementation). Support the growth of higher education and medical facilities.

Action: Support Innovation Providence Implementation Council’s (IPIC) implementation program; assist in activities identified in IPIC’s action plan.

Timeframe: Immediate and on-going.

STRATEGY 2: Position downtown aggressively in economic development programs of the Greater Providence Chamber of Commerce; Innovation Providence Implementation Council (IPIC), Providence and State.

Action: Meet with agencies to integrate downtown into marketing campaigns.

Timeframe: Immediate and on-going.

STRATEGY 3: Identify existing companies and operations that are suitable to downtown and can thrive in a downtown environment; promote downtown to similar companies.

Action: Supplement research already completed by the Chamber, City and State; develop campaign.

Timeframe: Complete research in three months; begin campaign, particularly for smaller, creative companies. In the next six months, develop campaign for larger companies in conjunction with the Chamber, City and State.

STRATEGY 4: Advocate for downtown inclusion in the proposed “Knowledge District” and the growth of higher education and medical facilities downtown.

Action: Communicate with Mayor and IPIC and advocate strongly.

Timeframe: Immediate.

2. RETENTION OF COMPANIES

(Leadership Role)

OBJECTIVE: Assure that companies and government agencies remain and/or expand in downtown.

STRATEGY 1: Compile list of State and Federal agencies which are located in downtown including the number of employees and annual visits by customers at each location; develop the “case” for a downtown location; interact with government elected and appointed positions to explain the advantages of a downtown location; promote downtown location to State and Federal agencies which are not currently in downtown.

Action: Complete research and begin advocacy.

Timeframe: Research is complete; begin advocacy; on-going.

STRATEGY 2: Develop a business visitation program targeted towards companies who are approaching the end of their lease term. The visitation team can include a business leader and a staff person. Coordinate program with City, State, and Greater Providence Chamber of Commerce.

Action: Identify companies, particularly larger companies that are “at risk”; begin visitation program for these companies. Then develop a regular visitation system and follow-up system.

Timeframe: Begin “at risk” company visitation immediately. Develop the “system” over the next six months; begin the program in the fall of 2010.

STRATEGY 3: Develop follow-up system to address issues and opportunities identified during the visits.

Action: Develop formal follow-up system in the next six months and implement with Strategy 2 in the fall 2010.

STRATEGY 4: Develop a public relations campaign that highlights the advantages of a downtown location.

Action: Enhance the current public relation campaign.

Timeframe: Immediate and on-going.

STRATEGY 5: Continue, on an on-going basis, to identify problems, issues and opportunities related to conducting a business downtown; conduct an annual business survey.

Action: Develop information through visitation program; develop and conduct the annual business survey.

Timeframe: Immediate and on-going; conduct annual business survey in the fall 2010.

3. **MARKETING**

(Support Role)

OBJECTIVE: Communicate the advantages of a downtown Providence location to prospective businesses and differentiate downtown from suburbs and other cities. Research cost differences.

STRATEGY 1: Encourage Rhode Island Economic Development Corp., Greater Providence Chamber of Commerce and City to develop a coordinated, more aggressive marketing campaign.

STRATEGY 2: Position downtown prominently in the marketing campaigns of the Rhode Island Economic Development Corp., Greater Providence Chamber of Commerce and the City; join these entities on prospect calls and trade shows.

STRATEGY 3: Identify types of businesses which are a good “fit” for downtown and conduct a much targeted marketing campaign. Research cost differences with suburbs and other New England cities.

STRATEGY 4: Conduct a very targeted and low cost outreach campaign to entrepreneurs in Rhode Island and beyond.

STRATEGY 5: Continue to fund a marketing campaign.

STRATEGY 6: Promote downtown to the commercial brokerage community in Rhode Island and New England, particularly the Boston area as well as selected site consultants.

STRATEGY 7: Conduct a public relations campaign.

4. DOWNTOWN LOCATION FACTS, INCLUDING INVENTORY OF OFFICE SPACE (Leadership Role)

OBJECTIVE: To compile and distribute information about locating or expanding a business in downtown; to become the resource for downtown information; to supplement the information provided by the Greater Providence Chamber of Commerce, the Rhode Island Economic Development Corp. and the City of Providence.

STRATEGY 1: Continue to maintain lists of available office and retail space.

Action: Continue current program; communicate with State and City to assure no duplication and integration.

Timeframe: Meet with State and City in the next three months.

STRATEGY 2: Continue to compile and maintain information about location factors; continue to develop brochures and web-based information that are distributed to prospective businesses.

Action: Continue current program.

Timeframe: On-going.

STRATEGY 3: Identify the need to compile and maintain necessary information that is not being compiled now. The primary example is up to date information on parking availability and rates.

Action: Using the City's parking study results as the basis, develop a parking information system that is updated regularly.

Timeframe: Next six months and then on-going.

5. CREATION OF SMALL INCUBATOR SPACES FOR DESIGN, MEDIA, IT AND SOFTWARE (Support Role)

OBJECTIVE: To increase spaces and venues that can help entrepreneurs and artists to thrive in downtown.

STRATEGY 1: Work with the Innovation Providence Implementation Committee and the City on identifying the needs, demand and opportunity to create spaces.

STRATEGY 2: Assist entrepreneurs who are pursuing the creation of centers, downtown.

STRATEGY 3: Recommend discounted rent structures for start-up companies.

STRATEGY 4: Study the feasibility of establishing a design focused business accelerator in downtown.

6. PERMIT AND LICENSE LIAISON

(Leadership Role)

OBJECTIVE: Help make it easier to start or expand a business in downtown.

STRATEGY 1: using the information bases and permitting handbook recently completed by the City, summarize information for a downtown location.

Action: Complete summary.

Timeframe: Within six months.

STRATEGY 2: Train staff on the permitting and regulatory system.

Action: Develop and conduct training on permitting and regulatory system.

Timeframe: Fall 2010.

STRATEGY 3: Designate one staff person to act as an ombudsman for permits and licenses; develop relationship with regulatory personnel.

Action: Identify staff person and begin relationship with regulatory personnel.

Timeframe: Identify staff person and begin program by 2011.

STRATEGY 4: Determine criteria for eligibility to utilize this omnibus service; different levels of service could be provided for different scales of projects.

Action: Work with Boards and staff to develop criteria and program.

Timeframe: Begin in six months; complete by end of 2010.

STRATEGY 5: Coordinate with similar efforts of City and State.

Action: Meet with other agencies to coordinate with any similar program.

Timeframe: In six months.

7. PERMIT PROCESS IMPROVEMENTS

(Support Role)

OBJECTIVE: Work with the City to develop a permit process, particularly for building and fire permits, that mirrors national best practices; develop a review system that is an asset for economic development.

STRATEGY 1: Support the Mayor's Ad Hoc Permitting Group and their 12-point recommendations to streamline the permitting process.

STRATEGY 2: In particular, work with and support the City to achieve a 15-day permit review process for basic tenant improvement projects.

STRATEGY 3: Conduct informational meetings between building and fire code regulatory officials and building owners and brokers; discuss regulatory requirements in the light of economic development as well as life safety; make recommendation for improvements.

STRATEGY 4: Support efforts by the Fire Department to establish a Chief Engineer position to bring more expertise into the fire code and fire alarm review.

STRATEGY 5: Conduct educational sessions with Building Code and Fire regulatory personnel on the economic development implications (good and bad) of their functions.

8. ZONING

(Support Role)

OBJECTIVE: To work with the City on creating a new downtown plan and a new zoning ordinance that promotes and encourages offices/businesses downtown, including institutional operations; and supports transit oriented development.

STRATEGY 1: Form a committee and conduct meetings with the Planning Department to provide input from the business/property owner community.

STRATEGY 2: Encourage the formation of a regulatory system that is predictable, efficient and easily understood; advocate for 1 review body as well as administrative review of mirror matters.

STRATEGY 3: Encourage completion of the downtown plan and zoning in 2010.

9. PHYSICAL ENVIRONMENT: CLEAN, SAFE, ATTRACTIVE; USER FRIENDLY; IMPROVED INFRASTRUCTURE

(Leadership Role)

OBJECTIVE: To create a superlative physical environment.

STRATEGY 1: Continue the DID's clean, safe and landscaping program.

STRATEGY 2: Continue and strengthen the DID/Foundation advocacy for repairs/improvements to the infrastructure: streets, sidewalks, parks, signs, lights; be a strong partner in the Greater Kennedy Plaza Partnership.

STRATEGY 3: Conduct outreaches to companies and owners on issues, particularly safety issues; respond quickly with a plan to address safety issues.

Clean and Safe:

Action: Continue current activities.

Timeframe: On-going.

10. TRANSIT IMPROVEMENTS

(Support Role)

OBJECTIVE: Increase transit service to accommodate a greater number of downtown employees and visitors; develop a service that results in more employees choosing transit as opposed to auto for commuting purposes.

STRATEGY 1: Support and help implement the results of RIPTA's and the City of Providence's Metropolitan Transit Enhancement Study.

STRATEGY 2: In particular, support and partner, where appropriate, with the public sector on the Metro Study's recommendations regarding expanding programs for commuters; increasing transit services; increasing park and ride capacity; initiating rapid bus service; supporting and using the new "Eco-Pass" program; improving transit experience; and supporting a shared car program.

STRATEGY 3: Support infrastructure improvement projects, including re-inventing Greater Kennedy Plaza; improvements/repairs to the downtown Amtrak Station; the creation of transit sub-hubs; and the expansion of commuter rail to South County and to Blackstone Valley.

STRATEGY 4: Support the Providence streetcar project; help develop a feasible plan for implementation.

STRATEGY 5: Support and join the Coalition for Transportation Choice.

STRATEGY 6: Support Transit Oriented Development.

11. PARKING

(Leadership Role)

OBJECTIVE: Develop a parking "system" that is customer oriented; reducing negative image/effect of parking on downtown locational decisions.

STRATEGY 1: Continue to provide input to the City's downtown parking study.

Action: Meet with City Officials prior to study completion; review and comment on study upon completion.

Timeframe: Immediate to two months.

STRATEGY 2: Maximize the number of street parking spaces downtown.

Action: Compile information about on-site parking opportunities; meet with City; help implement recommendations.

Timeframe: Work has begun; complete actual work in the field within eight months.

STRATEGY 3: Improve customer experience including parking signage, parking information system, appearance/attitude of meter enforcers and parking attendants.

Action: Meet with City; private owners and other stakeholders to develop and implement the improved customer expression plan.

Timeframe: Immediate and complete in eight months.

STRATEGY 4: Form a downtown parking task force to meet on a regular basis with City officials to discuss day to day problems and opportunities as well as longer term issues.

Action: Convene the parking task force.

Timeframe: Begin meetings in 45 days; on-going.

STRATEGY 5: Form a singular City parking authority as recommended in the 2006 Urban Place Consulting Group, Inc. report: Currently, parking responsibilities are scattered throughout many City Departments and Agencies. Most other cities have such a parking authority.

Action: Continue to advocate for a City Parking Authority.

Timeframe: Continue advocacy with a projected eighteen month period before formation of an authority.

STRATEGY 6: Using the City's Parking Study as the data base, periodically update parking supply, availability, and parking cost data.

Action: Obtain data and "template" from the City's Parking Study; develop the system to keep data current.

Timeframe: Begin in 30 days; complete system in six months; on-going updates.

STRATEGY 7: Survey and interview companies on the importance of parking availability and cost in deciding to locate, expand or stay in downtown. Determine the desirability, feasibility and financial resources needed for short and long-term solutions such as satellite parking lots and new garages where necessary.

Action: Begin surveys and data gathering; determine short term and long term solutions.

Timeframe: Begin in three months; complete analysis and recommended course of action regarding new supply in six months; on-going analysis.

STRATEGY 8: Establish a Downtown “Shared Car Program”.

Action: Promote expansion of Brown University’s Zipcar program into downtown.

Timeframe: Immediate

12. CITY TAX POLICIES

(Leadership Role)

OBJECTIVE: Achieve fair, market driven real estate re-assessment values; work towards a City commercial tax rate structure that is more competitive with other New England cities and Rhode Island suburbs.

STRATEGY 1: Perform research in the following areas:

- Help document market conditions for the reassessment process of the City. This includes offices, hotels, residential, parking facilities and mixed use properties.
- Help determine and document our competitive position regarding tax rates compared to competing suburbs and other N.E. cities. Tax analysis should include real estate and tangible taxes.
- Document the amount of real estate and tangible taxes that downtown properties pay to City.
- Document the effect of tax policies on economic and real estate development.

Action: Complete research.

Timeframe: Three months.

STRATEGY 2: Form a committee of downtown building owners and brokers to meet with the City Tax Assessor and their revaluation company, Cole, Layer, Trumble. Provide information on market conditions in downtown. Recommend improvements in the revaluation process. Committee will meet with City on tax policy and a competitive tax rate for business.

Action: Committee formed; continuing meeting and providing direction; continue meeting with City.

Timeframe: Six months.

STRATEGY 3: Review and evaluate the Final Report of the City's Tax Policy Working Group; develop recommendations in response to the study.

Action: Continue Committee under Strategy Two above; obtain and review City study.

Timeframe: Four months.

STRATEGY 4: Conduct an informational and advocacy campaign on the importance of achieving a competitive City tax structure.

Action: Complete research and information base; Committee, staff and Leadership Council to develop.

Timeframe: Research is immediate and completed in three months. Informational and advocacy campaign begins after three months and is on-going.

STRATEGY 5: Advocate for a competitive tax structure for business.

Action: Assist with City in its analysis of short and long-term financial needs and resources. Advocate for City, State and Federal actions that promote a City tax structure that is competitive and results in long-term financial stability. Develop state and local legislation to create a tax classification system that provides predictability and competitive rates.

Timeframe: Over next 12 months.

13. STATE BUSINESS ENVIRONMENT

(Support Role)

OBJECTIVE: To create a more competitive business climate in the State of Rhode Island

STRATEGY 1: Work with other business groups such as the Greater Providence Chamber of Commerce to advocate strongly for a State tax structure that is competitive in New England.

STRATEGY 2: Support efforts to improve the State's permitting and regulatory system such as the recommendation of the Senate Task Force on Small business Growth and Development.