

IV. ECONOMIC DEVELOPMENT

A. INTRODUCTION

This element of the Comprehensive Plan identifies economic development policies and strategies that will address the well being of the Town's residents in both a local and regional economic context. It includes analysis of the local economy assessing its strengths and weaknesses in terms of the scope and character of the local employment base, the relationship between the local labor force and local opportunities for employment, and an assessment of current and future needs of the community. In addition, it includes an inventory and analysis of existing and planned economic development sites and programs.

In order to formulate an overall economic development strategy several data collection and analysis methods were utilized. These included an empirical review of historic economic trends, participatory research involving both the public and recognized experts in order to identify economic development issues. Results of this research is summarized in the Findings section of this element, and detailed information is contained in three sections of the inventory:

- Economic Base and Labor Force
- Need for Employment Opportunities, Goods, and Services
- Economic Development

State Planning Act Requirements

“Shall include the identification of economic development policies and strategies, either existing or proposed by the municipality, in coordination with the land use plan element. These policies should reflect local, regional, and statewide concerns for the expansion and stabilization of the economic base and the promotion of quality employment opportunities. The policies and implementation techniques must be identified for inclusion in the implementation program element.”

Requires consistency with State Guide Plan Elements:

- 110 Goals and Policies
- 211 Economic Development Policies and Plan
- 212 Industrial Land Use Plan

B. INVENTORY

This section examines the current and historic economic environment in Cumberland. The economic research is based on several key economic indicators: an analysis of the local economic base; an analysis of Cumberland's labor force, an assessment of the relationship between local employment and the economic well-being of Cumberland's residents, and projections of the future labor force and employment.

1. Economic Base and Labor Force

An analysis of the economic base and the mix of industries located in the Town was accomplished by studying the employment levels for various industrial categories. This approach permitted the study of historic trends in the composition of the economic base. Locally available employment opportunities was than compared to the employment characteristics of Cumberland's residents, based on US Census data.

Economic Base

Cumberland's employment trends have approximated those of the State over recent decades. In some instances, however, there are indications that the variance in employment levels has been greater at the local level, suggesting that the local economic environment is more susceptible than the State to economic shifts.

The Town's employment base is currently dominated by three sectors: services, wholesale and retail trade, and manufacturing. The overall level of local employment has remained relatively stable since 2000. The most significant change in the local

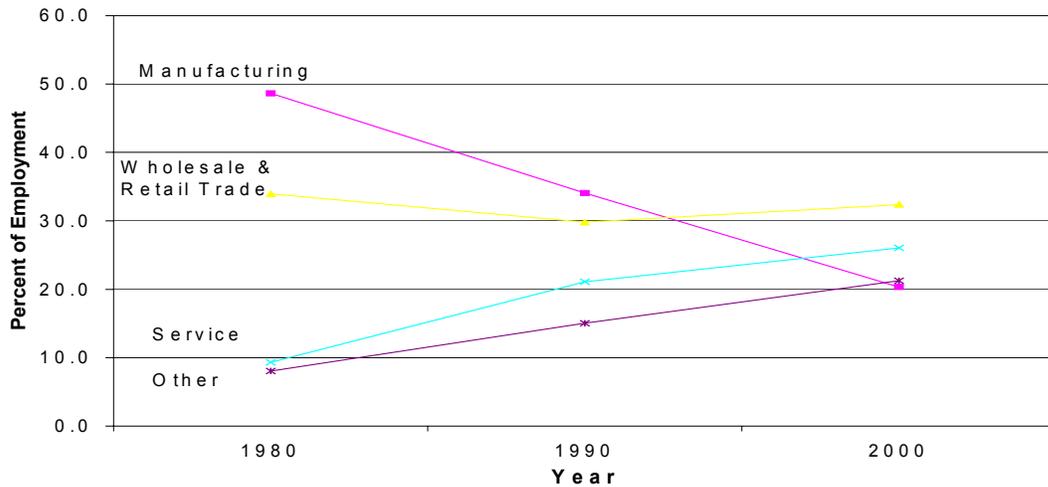
economy is the change in the distribution of employment by category. Manufacturing, which was the most dominant sector between 1970 and 1990, now follows services and wholesale/retail trade in relative importance. This change in employment base has created a shift from the customarily higher paying manufacturing employment to the lower paying service and trade sectors. According to Rhode Island Department of Labor and Training data, in 2001 the average wage paid in the manufacturing sector was \$32,316; while service employment paid an average of \$22,700 and retail trade only \$15,780.

The trends in the employment categories as a percentage of total economic base between 1980 and 2000 are shown in Figure IV-1. The decline in manufacturing employment is clearly shown as a continuous trend which began in the early 1980's; this sector has lost approximately 1,300 jobs over this time. The majority of this employment, however, has been replaced via employment increases in the service sector. Meanwhile, employment in the trade sector has remained fairly constant over this period, ranging from 30 to 34 percent of the local employment base. There has, however, been a shift in the relative importance of wholesale versus retail trade: employment of wholesale workers has declined while that of retail employees has increased. In addition to the changes in the three major categories of employment, there has been an increase in other categories of employment. The “other” category in Figure IV-1 consists of:

- Agriculture, forestry, & fisheries;
- construction;
- transportation, communication, & public utilities; and
- finance, insurance, & real estate.

The increase in the importance of these categories as a percentage of Cumberland's economic base represents a diversification of industries located in Cumberland. This increase is not a result of an increased number of businesses in any one category; all four of these categories have increased over the twenty-year time period.

Figure IV-1 Industry Trends



The RI Department of Labor and Trainings 2003 State of the State Report indicates that the average number of people employed by firms in Cumberland has decreased over the past decade. In 1989, 565 firms employed 6,583 workers; an average of approximately 11 workers per firm if all sectors are included. As of 2001, 733 firms in Cumberland employed 6,802 persons, an average of 9 employees per firm. Excluding the manufacturing sector, (typically the largest employers), there are 685 firms employing 5,411 persons for an average employment of less than 8 persons per firm.

Labor Force

In 1980, Cumberland's labor force consisted of 14,423 people. Although the original Plan estimated the 1990 labor force totaling 15,802 persons, the actual number was slightly higher: 16,127. By 2000, Cumberland's labor force reached 17,179 persons. In this twenty-year period, the percent of the population 16 years and older, identified as part of the labor force, remained a constant 70 percent.

Table IV-1 shows the composition of the labor force in 1980, 1990, and 2000 by major occupational categories. The table indicates that the employment trends of Cumberland's population are similar to that of the economic base: the importance of manufacturing has declined while service industries have increased dramatically.

Table IV-1 Labor Force Occupations

<u>OCCUPATION</u>	<u>% Labor Force</u> <u>1980</u>	<u>%Labor Force</u> <u>1990</u>	<u>%Labor Force</u> <u>2000</u>
Agriculture, Forestry, Fisheries, & Mining	0.7	0.3	0.2
Construction	3.5	1.3	5.1
Manufacturing	38.1	28.7	17.3
Transportation, Utilities, & Communication	5.4	6.6	7.0
Wholesale & Retail Trade	21.2	22.8	17.8
Finance, Insurance, & Real Estate	5.0	5.9	7.7
Services	26.2	34.3	44.8

Source: U.S. Census 1980-2000

Cumberland’s labor force is not heavily dependent on local employment opportunities. The number of Cumberland residents employed in 2000 was over 16,000, significantly more than the number of local jobs that were available at that time (6,802). In addition, the majority of Cumberland’s residents work in communities other than Cumberland. In 1980, 77.4 percent of the employed residents of Cumberland worked outside of their area of residence, while 82 percent of Cumberland’s residents worked in other locales in 1990. Although this data is not available for 2000, given the recent declines in those industries that have traditionally employed Cumberland's residents, it is likely that this trend has continued. Rather than being a center of employment, Cumberland is a bedroom community, a Town whose residents generally work in other cities and towns.

2. Need for Employment Opportunities, Goods, and Services

Employment opportunities

Recent statistics (2000) have placed Cumberland's labor force at 17,179 persons of which 16,551 were employed. This equates to an unemployment rate of 3.7 percent, and represents a decrease in unemployment from 5.4 percent in 1990 and 6.8 percent in 1980. While there is a historical dependence on the manufacturing sector, as this sector

has decreased its employment levels residents are finding work in other communities or are shifting to the service and retail sectors which are growing locally. Yet, although the average wages in the retail and service sectors are, on average, considerably lower than those in manufacturing, Cumberland's median household income has risen steadily over the last two decades from \$40,683 to \$54,656. Cumberland's economy has shifted from community employment, where local jobs provide a critical economic resource to the local population, to regional employment, where local jobs are likely to be filled by non-resident employees while the vast majority of the labor force commutes out of town to work.

The 1991 Plan assumed that in addition to this inherent shift away from reliance on local employment, demographic trends would further reduce the local demand for employment. The growth patterns and estimated age distribution of the population at that time suggested that the local labor supply (persons between the ages of 16 and 65) would not increase over the next 20 years without significant population in-migration, and that such local shifts were not considered to be likely given the physiographic constraints to growth in Cumberland. However, as established in the Demographic Analysis, Cumberland's population has increased, through both natural increase and in-migration. Cumberland's local labor force has in fact grown along with the population as a whole. However, this population increase has not created significant demand for new local employment opportunities. Cumberland's residents primarily view the Town as a bedroom community, a place to live rather than a place to work. In addition, the Townspeople recognize the traffic and environmental costs of expanding the economic base, and while revenues from business are greatly valued, there is a limit to how much new commercial and industrial activity the Town wishes to see.

Goods and services

Changes in the pattern of demand for local goods and services are largely dependent on changes in the characteristics of the population. In order to assess how demand for will change in the future, a number of indicators relating to Cumberland's population were examined. Resident satisfaction with existing level of goods and service provision and desire for additional commercial growth were assessed by the Community Survey in

1990 and by workshops in 2002 and 2003; results from both of these data-collection methods were similar.

Cumberland is part of a well-serviced region of the State, with sufficient goods and services available in adjacent towns (particularly Lincoln and Attleboro) and at several regional malls. Given the regional character of shopping patterns, Cumberland's residents are, in general, satisfied with the fairly limited facilities located within the Town itself. Residents, on the whole, do not support the conversion of additional land to commercial or industrial uses. They especially do not want to encourage further commercial sprawl along transportation routes; they would prefer to see clustered commercial activities as part of a village or neighborhood. There is a clear perception among residents that the provision of goods and services is adequate within the Town, and that any additional requirements for services can be met by facilities conveniently located elsewhere in the region.

The 1991 Comprehensive Plan noted that attitudes of the resident population concerning the desirability of additional economic development within the Town might

have to be set against increased need for such services if the population were to increase significantly. Despite the population's increase at a rate higher than predicted, there has not been a significant need for additional local provision of private-sector goods and services beyond the growth in the service sector that has occurred over the past decade.

It is unlikely that continued population increase will have more than a limited impact on the economic base of the community. Local demand for locally-delivered goods is not seen as an issue of vital future concern. However, the increase in the proportion of elderly residents is significant and, given regional and national trends toward an aging population, likely to continue. The demand for health care services will likely increase if the elderly population continues to increase relative to the wider population. An aging population will place a demand on the public sector (human services and public assistance programs) as well as the private market's ability to furnish appropriate goods and services. The ability of the public sector to respond to this key demographic shift of the 1980's and 1990's is a crucial issue for the Town of Cumberland to confront, and is addressed by the Public Services and Facilities Element of this Plan.

3. Economic Development

Although Cumberland does not require an significantly larger economic base, it does wish to maintain and better service the businesses it currently has. Additionally, the community needs to keep its options open, should a high profile tax and employment producing firm decide to move to Cumberland.

An important component of the economic development element is programs available for promoting economic growth as well as the investigation of possible future sites for new economic activity. This section first includes a summary of the Rhode Island Enterprise Zone Program. It then inventories sites with varying future potential as new or expanded centers of economic activity, commerce and employment.

Enterprise Zones

Established by Rhode Island State Legislation, the purpose of the Enterprise Zone Program is to stimulate industrial and commercial business growth in designated Zones. There are two such Zones in Cumberland:

- **Central Falls/Valley Falls** – Includes the historic mill villages of Valley Falls and Ashton/Berkeley as well as the entire City of Central Falls
- **Woonsocket/Cumberland Enterprise Zone** – Encompasses Highland Corporate Park, Woonsocket’s Highland Industrial Park, and historic downtown Woonsocket.

Any business located within an Enterprise Zone can register for the program. Membership in this program gives firms the ability to qualify for special tax credits if the business increases its full-time employment and its total payroll increases. In addition, members receive priority consideration for financing, job training, and permit expediting. As of 2003, there are 42 Cumberland businesses enrolled in the program. The most recent data on the success of this program indicates that these businesses have so far created 180 new jobs, and that 14 of the companies were eligible for tax credits.

Industrial Parks

There are currently five sites in Cumberland being used for industrial activity, their locations are shown in Figure IV-2. These locations, and other developed areas such as the many vacant textile mills in the Town, represent the preferred location of future economic development. Economic development in these already developed areas will not result in loss of additional open space. In addition, the Industrial Parks are already properly serviced by infrastructure, which reduces costs associated with development.

The original Comprehensive Plan identified several areas as potential economic development sites which are no longer under consideration. The Abbott Run Business Park has been committed to residential development. The Ashton Park/Ashton Mill site was purchased by rest City Enterprises and will be primarily developed for residential use, although some commercial uses may be included. The Berkeley

Industrial Park is also no longer included in this inventory due to physical constraints and its location, adjacent to the Blackstone River.

The New England Economic Development Services maintains a list of commercial and industrial facilities in Cumberland, including their status as vacant or occupied as well as suitability for various uses. This list represents an important resource that should be utilized when formulating economic development plans.

Highland Corporate Park-Cumberland (HCP, formally Highland II) - The 1991 Plan identified a proposal for the site as an extension of Woonsocket's Highland Industrial Park to be used for light industry. Now, the area is being developed as an upscale office and light manufacturing complex. HCP is managed by the Highland Corporate Park Venture, a 50/50 joint venture between two private non-profit real estate developers: the Woonsocket Industrial Development Corporation and the Blackstone Valley Development Foundation, Inc. Currently, HCP consists of 240 acres, 120 of which are available for development and 120 acres under conservation restrictions. Eighty-four of the buildable acres have been sold and developed so far: two buildings with approximately 50,000 square feet of office space and five buildings with combined industrial space of 342,000 sq ft. In addition, two industrial buildings of 60,000 sq ft and

30,000 square feet are under construction. Ten already subdivided lots consisting of thirty-six acres remain available for development. This site is located in the Woonsocket/Cumberland Enterprise Zone, and is currently the most significant site in terms of Cumberland's future economic development.

New River Industrial Park - Existing development at this 127 acre this site, located in the Berkeley neighborhood between Mendon Road and the Blackstone River, consists of older manufacturing facilities, warehousing, distribution and gravel extraction. There is little room for expansion of industrial activity at this site due to natural constraints of the Blackstone floodplain, poor access and expanding residential development. However, eventual conversion of the existing mining operation to light manufacturing might be a viable option.

Martin Street Industrial Area - Immediately north of the New River site on the Blackstone River is the Martin Street Industrial Area. This site is bounded on the west by the Blackstone River, to the north by the Ashton Park Industrial Area, to the east by mixed use development and Mendon Road and to the south by Martin Street. The site is approximately 48 acres in size. It is predominantly developed, and vacant parcels exist in the Blackstone River floodplain/floodway. Natural constraints at the site preclude future large-scale development.

Cumberland Industrial Park (Diamond Hill Industrial Park) - A 116 acre site located on either side of Route I-295 primarily in the Thompson Hill neighborhood. Current uses includes several manufacturing facilities and three large trucking companies. While the 1991 Plan identified 21 additional acres of developable land, the site is now entirely developed.

Manville Hill Industrial Park (River View) - A 109-acre site located in the northwestern section of Town, between the North Cumberland residential neighborhood and the Blackstone River. The site is currently used as a sand-and gravel operation, as well as for manufacturing. If quarry operations are discontinued the site has the potential to be developed as an office park. However, much of the site is environmentally constrained, as it is located in the Blackstone River's floodplain.

Valley Gas Industrial Site - This site, consisting of approximately 100 acres, was identified in 1991 as an additional development site which should be considered as part of the site inventory. Its convenient access to I-295, isolation from residential areas and current industrial use indicate future economic development potential. The environmental constraints consist of hilly terrain and bedrock near the surface. Existing industrial development on the site accounts for approximately 40 percent of the total area, leaving an estimated 60 acres for expansion. The Blackstone Sewer Interceptor is within  mile of the site. Despite the physical difficulties imposed by the natural constraints, the site's location and ability to be buffered from the residential areas to the south lead to an assessment of long term potential for economic development possibly as an office or business park.

C. FINDINGS

Cumberland's employment base is currently dominated by three industrial sectors: services, wholesale/retail trade, and manufacturing. The importance of manufacturing has steadily declined over the past thirty years, while employment in the service sector has increased. In addition, diversification of industries has occurred as employment outside the three main sectors has increased.

The local labor force is not heavily dependent on local employment opportunities. There is a high level of disparity between the size of the local labor force in 2000 (17,179 persons) and the number of local jobs that were available at that time (7,008). The majority of Cumberland's residents are employed outside of the Town. Cumberland's economy has shifted from community employment where local jobs provided a critical economic resource to the local population, to a pattern of regional employment of the labor force. Cumberland's labor force and future demand for local employment are not expected to greatly increase.

The Town's economic base has consistently shifted away from industrial production toward commercial (retail and office-based) services during the last thirty years. The majority of development over the past decade has been residential, rather than commercial or industrial; several potential industrial sites were in fact committed to residential uses. Because of the potential conflict with residential land use as well as

environmental constraints, there appear to be few if any options for future industrial sites beyond those identified in the inventory. In addition, due to recent changes in land use, surrounding growth and economic activity, the development of new industrial operations or expansion of existing sites will require strict performance controls to mitigate their impacts on the community. The Highland Corporate Park represents the most promising site for future industrial development.

Commercial development in Cumberland has proceeded as strip development along Mendon and Diamond Hill Roads. This pattern, typical of suburban sprawl, is not appropriate for maintaining Cumberland's aesthetic character. This type of development should be discouraged by encouraging nodal type commercial activity by creating neighborhood commercial districts and encouraging the use of Planned Unit Developments. The reuse of closed textile mills for commercial purposes should be encouraged, so as to preserve Cumberland's valuable open space. Such redevelopment is often costly due to the obsolete nature of the structures and the high costs of conversion, however, such projects as the ongoing Ashton Mill Conversion Planned Unit Development, may be a model for some of these mills. Other mill buildings which have great potential for more intensive uses are the underutilized Ann & Hope building on Broad Street and the vacant industrial building across from Ashton Mill on Front Street.

D. GOALS, POLICIES, AND RECOMMENDATIONS

Economic conditions are, in large measure, precipitated by regional and national events which are well beyond the scope of local control. For this reason the emphasis of the Comprehensive Plan is to specify realistic actions and intervention strategies within the community's ability to accomplish.

State Planning Act Goal

- To promote an economic climate which increases quality job opportunities and overall economic well being of each municipality and the state. 

Cumberland Economic Development Goals

Goal ED.1 ENCOURAGE ECONOMIC DEVELOPMENT WHICH IS LESS
VULNERABLE TO REGIONAL AND NATIONAL CYCLICAL CHANGE.

Policy ED.1.1 Promote a greater diversification of the types of industries located within the Town.

Action ED.1.1.1 Actively pursue economic development that diversifies and ultimately strengthens and expands Cumberland's tax base.

Action ED.1.1.2 Investigate the possibility of utilizing the New England Economic Development Services' inventory of currently vacant, developable commercial and industrial space as a method of targeting specific sites for economic development initiatives.

Policy ED.1.2 Encourage local involvement in the development of regional economic development strategy.

Policy ED.1.3 Involve the Town in proactive marketing policies designed to attract new types of industry.

Action ED.1.3.1 Develop a marketing brochure which will explain the strengths of Cumberland as a business location; in addition, the Town should produce a companion developers' guide which will clearly explain the permitting procedures and available sites in Cumberland

Goal ED.2 PRESERVE THE VIABILITY OF THE EXISTING COMMUNITY ECONOMIC BASE.

Policy ED.2.1 Screen and evaluate new economic development which might have deleterious effects on existing businesses.

Policy ED.2.2 Promote and assist in the growth of existing business when such expansion is deemed important to the economic development goals of the community.

Action ED.2.2.1 Encourage small commercial businesses to grow or to relocate within the Town. Existing non-conforming commercial uses should be considered for rezoning to reflect existing conditions.

Action ED.2.2.2 Permit density and/or occupancy transfers between the land on which a business is currently located and the land to which it intends to move in order to encourage the expansion of existing small businesses.

Policy ED.2.3 Encourage the redevelopment and use of existing vacant economic assets, including industrial properties and mill buildings where economically feasible.

Action ED.2.3.1 Form a task force responsible for pursuing grant money for the renovation of mill buildings.

Goal ED.3 MAINTAIN AND PROTECT COMMUNITY AND NEIGHBORHOOD
QUALITY AND VALUES.

Policy ED.3.1 Develop neighborhood economic development strategies that promote harmony between economic and residential interests.

Action ED.3.1.1 Concentrate commercial zones in village centers in those areas that are properly served by transportation and other infrastructure.

Action ED.3.1.2 Develop neighborhood commercial overlay districts which will permit the expansion and addition of low order, small scale commercial enterprises to serve the needs of the surrounding community.

Action ED.3.1.3 Draft comprehensive commercial and industrial performance standards to be applied to the development and expansion of economic development sites that are located within or close to sensitive environmental and/or residential areas.

Policy ED.3.2 Protect the community from speculative development that is not locationally and functionally compatible with local strategies.

Policy ED.3.3 Encourage economic activity which minimizes environmental impacts and infrastructure demands.

Goal ED.4 PROMOTE ECONOMIC STRATEGIES WHICH WILL HAVE DIRECT
POSITIVE BENEFITS TO CUMBERLAND.

Policy ED.4.1 Encourage economic development which expands the community tax base while minimizing the demand for public services and infrastructure.

Policy ED.4.2 Encourage economic growth which provides quality employment opportunities for the local labor supply.

Action ED.4.2.1 Identify appropriate uses for economic development sites and create and apply zoning classifications which permit greater flexibility and control over choices of economic activities to be located on designated economic development sites.