

BACKGROUND PAPER

ON

MAIN STREET (BUSINESS) IMPROVEMENT DISTRICT FEASIBILITY FOR PAWTUCKET

BACKGROUND

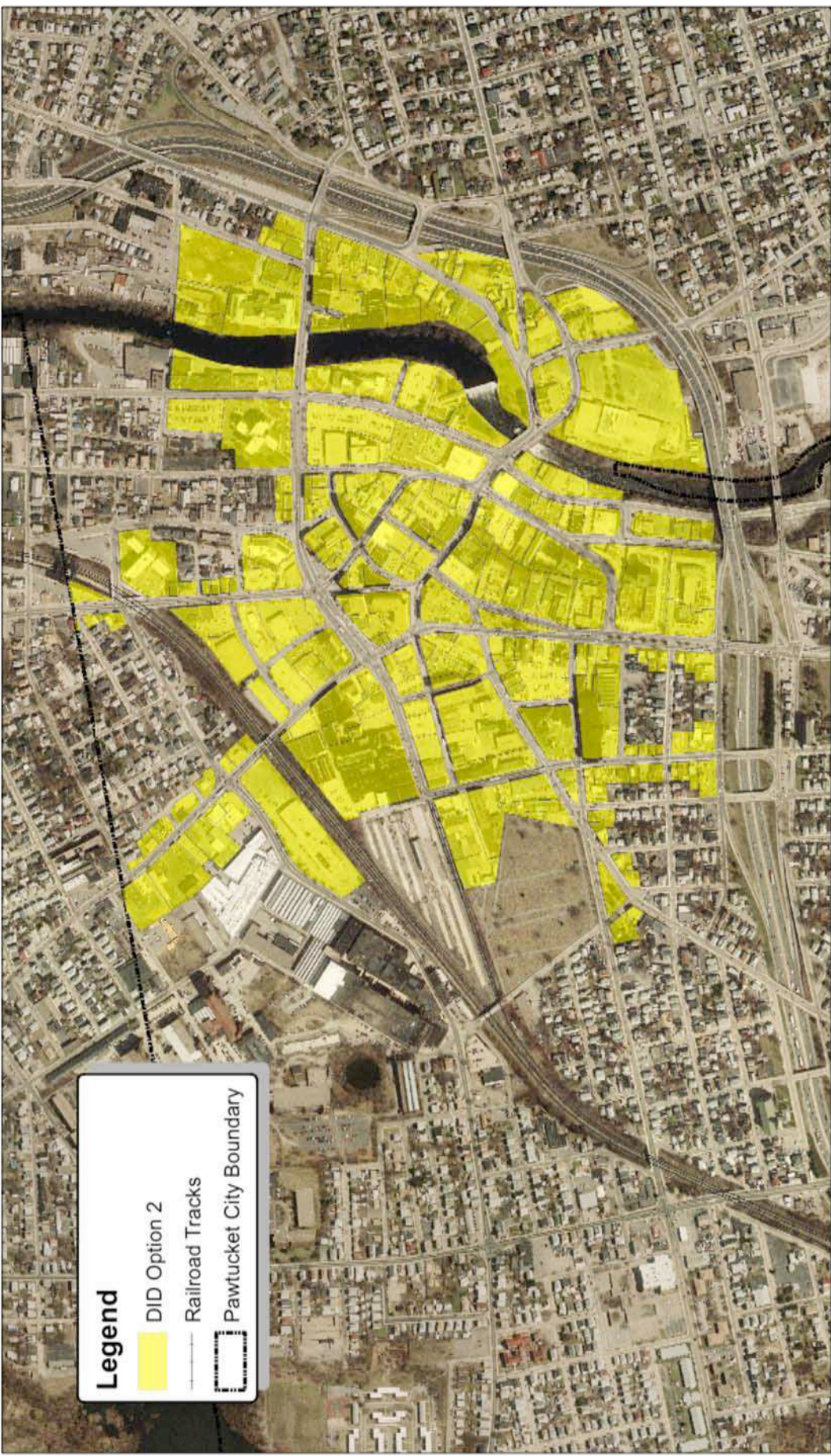
A Business Improvement District (BID) is a legal mechanism, initially proposed through the expressed desire of local business owners, to pool the funds of property owners in a defined area through property assessments for the purpose of enhancing the services in the district to include maintenance, security and marketing, among other services that will result in increased commercial return. Pawtucket was recently granted enabling legislation and now has the ability to empower the private sector to create a BID. The Pawtucket Foundation is working with a student intern from Brown University to conduct a BID implementation feasibility study for Pawtucket.

DISCUSSION & ACTION STEPS

- Purpose of study is to create an attractive environment and pleasant experience for residents and businesses looking to live, work or visit Downtown Pawtucket.
- Case study research demonstrated the successes of the Providence Downtown Improvement District and the Racine, Wisconsin Downtown Business Improvement District models
- The (attached) Boundary analysis evaluates areas where services and improvements are needed and property owners may be willing to support the assessment increase. The single most important factor in selecting the service area for the BID is satisfying the state regulation mandating a minimal approval of property owners.
- An assessment formula is defined to calculate the assessment value for each tax-paying property within the BID boundary. The formula can include a variety of measures such as property values, land area, gross building square footage, street frontage, location or use. The assessment formula is defined to maximize the revenue collected based on site-specific variables while maintaining an equitable relationship between the amount an individual property contributes and the services that same property will receive.
- The programs funded through assessments vary based on site-specific needs and can offer services including safety, cleaning and maintenance, marketing, landscaping or urban design initiatives. Revenues allocated to service programs can change progressively to enhance existing initiatives or implement new areas of focus.
- An operating budget is prepared annually to project the revenues collected from the assessment as well as other sources and the expenses allotted to activities and services. An organized allocation of funds is used to create an atmosphere that improves the livability of existing residents and store owners while also attracting new investors and tenants.
- If it is determined that an improvement district will support Pawtucket's economic development, ongoing communication with property and business owners and public officials must be established to evaluate the level of support for the proposed BID.

RECOMMENDATION

After analyzing the viability of implementing a BID in Pawtucket, it is evident that the benefits provided will significantly outweigh the cost of the assessment. An improvement district containing approximately 200 parcels contributing to a total assessment value ranging from \$50,000 - \$100,000 in the first fiscal year of operation, with expected increases in funding over time, allocated to safety, cleaning and marketing initiatives will be optimal for the City of Pawtucket. The district will help maintain existing projects such as the Main Street Enhancement Project, coordinate with concepts presented in the Pawtucket Downtown Design Plan and use the Experience Pawtucket interactive web site to brand downtown Pawtucket and showcase Pawtucket as a great place to live, work and visit. Cleaning and safety initiatives will aesthetically enhance Pawtucket and support the marketing campaign to encourage economic growth and establish a comfortable and vibrant downtown.



Legend

DID Option 2

Railroad Tracks

Pawtucket City Boundary



Downtown Improvement District Feasibility

Pawtucket, Rhode Island

Source: City of Pawtucket, RiGIS, The Pawtucket Foundation

0 210 420 840 1,260 1,680 Feet