

## ELEMENT 212: INDUSTRIAL LAND USE PLAN

### 01 INTRODUCTION

Market realities, such as competition for land for residential housing, often threaten the availability of “good” industrial land, which is a limited resource in any case. This repeatedly begs the question, “Will Rhode Island have sufficient industrial land in the future to sustain its economy?”

In the preparation of the *Industrial Land Use Plan*, Statewide Planning enlisted the help of planners in the 39 cities and towns of Rhode Island to compile and revise local information and maps of industrial parcels. Maptitude®, a mapping program based on the Geographic Information System (GIS) and developed specifically for the personal computer, was used to consolidate this information and make the necessary revisions to maps of industrial-zoned land. An inventory of industrial land was also produced, describing its characteristics and prevailing use (industrial, “other,” or vacant). Once these were compiled, the urgency of establishing or continuing programs to reserve industrial land for industrial use or reuse was noted.

These programs are discussed in the plan, and include the local comprehensive planning process, “brownfields” reclamation and rehabilitation, and the mill building reuse program. Federal and state historic preservation programs can also assist in reserving and redeveloping industrial land. Disaster preparedness and swift recovery should a natural hazard event occur are also encouraged to protect public safety and infrastructure.

The State Planning Council adopted the *Industrial Land Use Plan* as State Guide Plan Element 212 on August 10, 2000. It replaced an older version of Element 212 on that date. The Planning Council adopted revisions incorporating natural hazard mitigation on August 9, 2001.

### 02 GOALS

Eight industry groups typically site operations on industrial land: construction, manufacturing, transportation, communications, utilities, wholesale trade, finance, insurance and real estate (FIRE), and services. From a review of projected employment for each and employment densities (number of employees per acre), it was determined that 13,607 acres of industrial land would be needed in Rhode Island by the year 2020. This total included 11,116 acres presently in industrial use that were presumed to remain so, and 2,491 acres in new use.

It was also found that additional vacant but fully-serviced (“prime”) industrial land was relatively scarce, numbering only 1,485 acres – a shortfall for 2020 of 1,006 acres when compared to future need.

To preserve and improve this resource, the *Industrial Land Use Plan* encourages the public and private sectors to:

1. *Place sufficient land in reserve to sustain economic growth without compromising the state’s quality of life.* Industrial land that is being used for industrial purposes or currently vacant and considered prime, plus an additional several thousand acres from the inventory of vacant but non-prime land, should be reserved for industrial use

in the future. This can be accomplished by discouraging uses incompatible with industry on land that is presently zoned industrial.

To the greatest extent possible, “match the plant to the land,” reuse underutilized industrial properties, track changes in employment densities as the New Economy takes hold, and prevent sprawl or conversion of greenfields where reasonable alternatives exist.

Where possible, land reconfiguration to suit the needs of modern industry should be encouraged wherever it leads to more efficient use of the limited industrial land resource, in harmony with the surrounding environment. Natural hazards should be avoided to the extent possible, although it should be recognized that some industries may require a location in a hazard-prone area. In such instances, industrial development or redevelopment must comply with building code standards and appropriate mitigating measures. In addition, as development and reconfiguration occur, certain environmental concerns such as stormwater runoff should also be recognized as natural hazard issues, insofar as they have the potential for threatening life and property with flooding, structural damage, etc.

2. *Employ “mixed use” as a strategy for industrial land use wherever economically and environmentally feasible, using industrial performance standards to commingle related industries while at the same time protecting neighboring uses.*
3. *Assure to the maximum extent possible the appropriate use of prime industrial land by matching an industry’s needs to available parcels (what we discussed above as “matching the plant to the land”). An automobile assembly plant, for example, will require much more than a software development firm.*
4. *Promote sustainable development.* Waste control and the appropriate reuse of older industrial facilities can be the cornerstones of a much broader sustainable development program. Rhode Island’s recycling program and mill building rehab legislation are excellent first steps; combining elements of both in eco-industrial parks is an exciting possibility that needs to be explored.

We expect the extension of infrastructure to continue to be necessary to provide construction-ready sites for industrial expansion. However, such improvements should be done judiciously and in full accordance with local comprehensive plans so that development can be reasonably guided and controlled.

5. *Encourage business partnerships that can nurture growing companies with much potential, strategically locating them wherever the natural tendency of related industries to cluster, network, and synergize is likely to occur.*

### 03 POLICIES

Policies and mechanisms for implementing industrial land use goals reflect three basic things: the historical, primarily geographical factors that have influenced siting decisions; the respective roles of the private and public sectors; and sound planning principles. These policies are used to frame the implementation mechanisms in Part Six.

**A. Energy**

1. Encourage district heating in industrial parks and urban manufacturing districts, wherever a centrally located heating/cooling system can handle several companies' energy needs effectively and more efficiently.
2. Encourage industrial land use patterns that can take advantage of district heating, particularly in the older central cities within clusters of factory buildings.
3. Encourage use of endemic and renewable sources of energy in industrial buildings.
4. Provide site layouts that encourage the use of mass transit.

**B. Proximity to a Skilled Workforce**

1. Continue encouraging the expansion of dynamic industries that can benefit from proximity to institutions of higher learning and other sources of training and technology transfer, and build upon the existing skills of the state's workforce.
2. Encourage private efforts such as Bryant College's Small Business Development Center and the Brown Venture Forum, and blue-collar and white-collar training and retraining programs.
3. Establish training facilities and day care in industrial parks and revitalized mill complexes.

**C. Infrastructure**

1. Promote industrial sites and facilities within the older central cities that already have a full complement of public services.
2. Promote a regional approach to new industrial site development to include sharing of the financing of such sites and the regional sharing of the tax receipts from these sites.
3. Stimulate industrial growth through infrastructure extension and improvements only when consistent with state and local laws, policies, and plans. Recommendations for infrastructure extension and improvements should require discussion of the negative impact they may have, e.g., encouraging "sprawl" and unnecessary greenfield development. Proposals to extend or improve infrastructure in natural hazard areas should include appropriate mitigation measures, such as siting utility service underground where feasible, and assuring flood protection to sewage treatment plants and water supply and transmission lines.
4. Where extension and improvements occur, coordinate infrastructure financing between and among the federal government (where appropriate), the state, the communities, developers, and industry.
5. Recognize the need for information technology infrastructure, as well as "traditional" infrastructure including public water, sewers, transportation access, etc.

6. Balance the principle of “matching the plant to the land” against the desire to attract industry to “construction-ready” sites that are fully serviced but in limited supply and largely done “on spec.” Avoid the underutilization of infrastructure.
7. Where possible, schedule infrastructure improvements to coincide with promotional campaigns for urban industrial sites.

***D. Zoning***

1. Encourage cities and towns to make greater use of modern zoning tools, such as performance standards and mixed-use districts.
2. Promote regional analysis of industrial site development potential and discourage inappropriate zoning that contributes to uncontrolled growth.
3. Encourage planners and zoning boards to reserve industrial-zoned land with high development potential for industrial use, consistent with local comprehensive plans.
4. Discourage the use of public financing for industrial or commercial development that is not sited in appropriate areas.

***E. Environmental Permitting***

1. Encourage better communication to avoid procedural delays through pre-application meetings of developers, regulators at all levels of government, and interested representatives of community groups. Include the Economic Development Corporation when EDC-managed monies or personnel are involved with the project.
2. Expedite the permitting process with adequate staffing and improved communication.
3. Foster “one-stop shopping” at key permitting agencies, such as the DEM and the Coastal Resources Management Council, so that a single contact with the agency can inform the developer of the permits that will be required, application procedures, etc.
4. Implement brownfields assessment and cleanup programs so that abandoned industrial land can be brought quickly into reuse, and permitting of the use of the land can be expedited.

***F. Public Financing***

1. Discourage tax incentives that are merely tax holidays requiring little commitment by industry to communities once they expire.
2. Maintain state sales tax exemptions on “taxable” bond issues used to capitalize low-interest loans to developers for the purchase of land and equipment.
3. Encourage communities to establish revolving loan funds if feasible.
4. Continue to use the state enterprise zone program with the mill building revitalization program to key economic incentives to the reuse of abandoned industrial property in

the inner cities, involving local business, labor, and community groups as a sounding board for the Enterprise Zone Council.

5. Encourage the formation of Bank CDCs for industrial development, and support the Community Reinvestment Act as an essential part of this process.
6. Develop an industrial land bank modeled after the housing land bank started by the Rhode Island Housing and Mortgage Finance Corporation, with appropriate public oversight.
7. Establish a state industrial infrastructure fund as a combined grant/ revolving loan fund program, coordinating both industrial expansion and growth management according to state and local plans, policies, and laws.
8. Encourage regional economic development organizations, such as the Greater Providence Chamber of Commerce and the Central Rhode Island Economic Development Corporation, to participate in the Comprehensive Economic Development Strategy (CEDS), the first step in securing financial assistance from the U.S. Economic Development Administration, for projects of regional economic benefit.
9. Encourage a policy of full public disclosure of all public financing associated with a project and the full costs related to such financing.

***G. Marketing and Developing Sites***

1. Encourage the EDC to continue the marketing of sites statewide, emphasizing the principle of “matching the plant to the land” (the client’s needs to the property), and coordinating with local and regional marketing efforts.
2. Maintain “public purpose” in marketing and developing sites, maximizing employment opportunities, making the best use of industrial land, emphasizing the “built environment,” discouraging “sprawl,” avoiding or mitigating natural hazards, encouraging transportation options other than the automobile, and maintaining Rhode Island’s quality of life.
3. Upgrade state and local information on existing and potential industrial sites, utilizing the latest technology available, including applications related to the R.I. Geographic Information System (RIGIS), to evaluate market feasibility and to display sites.

***H. Private Sector Influence on Locational Factors***

1. Encourage meaningful business and labor participation in public policymaking bodies such as the Economic Policy Council.
2. Consult and work with centers, forums, and institutes affiliated with colleges and universities to foster research and development, technology transfer, and entrepreneurship, being mindful of their impacts on industrial land use.
3. Keep in close contact with private development corporations, especially those building and managing industrial, office, or research parks. Identify key players in

those organizations for their perspectives on economic trends that can affect industrial land use.

4. Recognize there are strategies in predominantly private-sector groups concerned with responsible land use and sustainable economic development that support and enhance Statewide Planning’s objective to “fit the plant to the land.” Work with such groups to emphasize the importance of public and private sector cooperation in many fields of endeavor – including the drafting of legislation, collaboration at conferences, design charettes, and actual development projects – as they pertain to industrial land use.

#### 04 ANALYSIS OF CURRENT INDUSTRIAL LAND USE

The 1997-99 inventory phase of the study identified 336 industrial-zoned sites in 37 communities with land area totaling 32,455 acres. A comparison with 1977 and 1988 conditions is shown in the table below. While 15,224 acres of industrial land are vacant (undeveloped), less than ten percent of that total – 1,485 acres – are considered prime.

More detail is provided in the individual community analysis of use and vacancy in Part Four of the *Industrial Land Use Plan*, organized on the basis of eight Substate Employment Growth Areas. The development potential of each substate area is described in a series of tables and maps that accompanies the text.

#### INDUSTRIAL-ZONED LAND IN RHODE ISLAND AND ITS USE, 1977-1999

	1977		1988		1999	
Total sites zoned industrial	283		328		336	
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	<b>Acres</b>	<b>%</b>	<b>Acres</b>	<b>%</b>	<b>Acres</b>	<b>%</b>
Total land zoned industrial	35,403	100	35,186	100	32,455	100
<i>Existing use:</i>						
Industrial	6,756	19	9,884	28	11,116	34
Other	7,938	22	7,720	22	6,113	19
Vacant	20,709	59	17,582	50	15,224	47

**Source:** Statewide Planning Program Industrial Land Inventory (1997-99). Totals may vary due to the rounding of fractions of acres to the nearest whole number.

## 05 INDUSTRIAL LAND USE: YEAR 2020

The maps presented at the end of each substate area discussion illustrate the industrial development potential (IDP) of occupied land and vacant land, as determined by limitations in size, physiographic conditions, and infrastructure. Fully occupied land is distinguished from partially-occupied and vacant land. Where a portion or all of the site is undeveloped, an IDP classification of 1 (lowest potential), 2, or 3 (highest potential) was assigned to the vacant acreage. Totals under each IDP classification gave an indication of the pool of industrial land available for future growth: IDP-1, 4,402 acres; IDP-2, 8,876 acres; IDP-3, 1,485 acres. In addition, 603 acres presently zoned industrial but undeveloped were recommended for rezoning (IDP-0(r)) due to the encroachment of non-industrial uses on adjacent properties.

The IDP classification did not consider whether a site is on the federal Comprehensive Environmental Recovery, Compensation, and Liability Information System (CERCLIS) or National Priority List. The maps do, however, present CERCLIS/NPL sites as an overlay. Out of 1,485 acres that were classified IDP-3, 676 acres include CERCLIS/NPL properties. While such properties are localized within the sites, the attendant environmental liability can impact the marketability of the entire site. Projections of high-potential, construction-ready sites for the future need to take this liability into consideration.

## 06 IMPLEMENTATION MECHANISMS

The *Industrial Land Use Plan* recognizes five specific needs that must be addressed to preserve the integrity of the industrial land resource in Rhode Island:

- Improve the quality of existing industrial land.
- Preserve urban industrial sites.
- Improve land management techniques.
- Provide needed infrastructure.
- Provide for a straightforward permitting process.

Implementation may occur through the following programs.

### **A. *Industrial Land Reserve Fund***

1. Statewide Planning recommends the formation of an Industrial Land Reserve Fund. There are numerous financing programs now in existence, often keyed directly to small businesses, that can assist in land acquisition. The funds allotted for these programs, however, are not for land acquisition exclusively; construction is financed through them as well, and the purchase of equipment. There is competition for the funds available. We submit that a financing program geared specifically to the acquisition and reservation of industrial land, for industrial purposes, is necessary in addition to these other programs to accomplish the objectives of the *Industrial Land Use Plan*.

2. We also recommend that the R.I. Economic Development Corporation be responsible for the Industrial Land Reserve Fund, given the EDC's statewide interest in economic development. The Reserve Fund should be run with the express purpose of providing low-interest gap financing on a revolving loan basis to municipalities, private non-profit development corporations, and agencies of the state when appropriate.
3. The EDC should also establish a separate fund financed by interest payments and equity from the Reserve Fund to provide funding assistance in the form of matching grants for feasibility studies, market analyses, and environmental reviews of land reserve and land assembly projects.
4. Communities should keep track of brownfields initiatives that can link financial and technical assistance from participating federal agency programs with the reuse and rehabilitation of industrial properties.

***B. Urban Industrial Land Assembly Program***

1. In addition to the Industrial Land Reserve Fund, which would extend to rural and suburban as well as urban communities, there should be established an Urban Industrial Land Assembly Program. As this would appear to be a logical offshoot of the EDC's responsibility for the state's enterprise zone program and mill building reuse program, we recommend the Corporation take charge of this program as well.
2. The Urban Industrial Land Assembly Program should be run as a "one-stop shop" that makes low-interest financing accessible to those seeking to acquire industrial properties for reuse. Financing from this program should not disqualify applicants from any tax benefits from existing programs, including both the enterprise zone and mill building reuse programs.
3. While properties outside enterprise zones would be eligible for inclusion in the Urban Industrial Land Assembly Program, the program would be limited to urban communities. The intent of the program is to incentivize the reuse underutilized, neglected, and abandoned properties in these communities.
4. As the first tangible results of an urban land assembly program might be on a relatively modest scale, we encourage that they be directed toward establishing additional business incubators. Linkages with institutions of higher learning (as in the Ocean Technology Center incubator) and community activists (as in the Urban Ventures incubator) should continue to be promoted.

***C. Bank Community Development Corporations (CDCs)***

1. Presuming that all leading banks in Rhode Island have an interest in meeting their obligations under the Community Reinvestment Act, the establishment of additional Bank CDCs should be promoted.

2. Toward this end, we recommend that a working group be convened of state banking regulators, bankers, economic development officials, and neighborhood groups to investigate the feasibility of dedicating a Bank CDC to industrial development or redevelopment.
3. If it is inappropriate or impractical for the Economic Development Corporation to manage any of the programs proposed above, or if a more decentralized approach is desirable, the possibility should be considered of using Bank CDCs for these purposes with appropriate oversight. Otherwise, Bank CDCs should be tapped to provide bridge financing or grants to supplement these programs.
4. Linkages with the state's Urban Enterprise Equity Fund should be established immediately. The equity fund and Bank CDCs can complement each other in enterprise zones and non-zone urban areas.

***D. Enterprise Zones***

1. The enterprise zone program should build upon its successes and continue its outreach to businesses and communities. The system of regional contacts for enterprise zone information augments the coordination work of the EDC and should be supported. This could also be a conduit for information about other programs proposed in this plan, for example the Urban Industrial Land Assembly Program.
2. Changes to the enterprise zone program should occur only after consultation with the Enterprise Zone Council and with the Council's approval. This includes the addition of zones to the program, modifications of boundaries of existing zones, and changes to the mill building reuse program.
3. If additional programs are implemented within the Economic Development Corporation to complement the enterprise zone program, for example urban industrial land assembly, provision must be made for adequate EDC staffing. Capitalization of any revolving loan fund supporting these programs should include an administrative budget, which can subsequently be met by the loan repayments that will recapitalize the fund.
4. Given that properties in the mill building program are often surrounded by residential neighborhoods, communities should apply industrial performance standards to encourage appropriate and compatible uses. Where necessary, technical assistance programs should be established to help modernize and enforce performance standards, with the involvement of the DEM, the Building Codes Commission, and the Statewide Planning Program.

***E. Infrastructure Bank***

1. The EDC should determine the best vehicle for an infrastructure bank to provide below-market financing to communities for public infrastructure. The loan activities of this bank should be closely coordinated with the activities of existing programs in the fields of potable water, wastewater treatment, transportation, and hazard mitigation, to ensure that scarce financial resources are used prudently.

2. Communities should be encouraged to use tax increment financing to fund infrastructure improvements. The EDC should support this effort by exploring the feasibility of a bond bank to facilitate municipal TIF programs through credit enhancement and by combining smaller issues to obtain the most favorable rates.

***F. Site Assessments and Permitting***

1. There should be financial support from the state for site assessments at brownfield sites designated priority sites for economic development. The public purpose in cleaning these properties and returning them to productive use has been established and is generally accepted. Other means may be required, however, than (or in addition to) the tire site remediation account.
2. The DEM, Coastal Resources Management Council, and other permitting agencies, including local ones, should use comprehensive preapplication conferences between regulators and developers, together with, whenever appropriate, representatives of the EDC. These conferences should acquaint developers with what is expected from them in a project application, introduce the appropriate contacts in state and local government for permits and regulatory advice, and answer any questions about funding programs on the state, local, or federal level.