

CHAPTER 4 ECONOMIC DEVELOPMENT

4.0 Introduction

Economic development in Little Compton has not previously been comprehensively explored. Residents who work within the Town have historically relied on farming, small service/retail businesses, and home-based trades/occupations for their livelihoods. In more recent years, the community has attracted a larger seasonal population, resulting in the growth of numerous small businesses serving the needs of summer residents. Many residents commute to work at locations outside the Town, primarily other east bay towns, Providence and Fall River.

Commercial development has been largely centered in three areas, the Commons, the Village of Adamsville and at Sakonnet Point. The Commons is the activity center of the Town, serving as the seat of government and as a gathering place for residents and visitors. A few retail and service businesses are located in the Commons. Adamsville is more a residential village, with a few stores serving the local and visiting population.

The location of Sakonnet Point, exposed to the brutality of the sea, has made ongoing commercial and residential development difficult.¹ The harbor provides some facilities for commercial fishing activities and recreational boating, but is limited in capacity. While recreational fishing, clamming and lobstering have been part of the lives of many Little Compton residents, fishing was never a predominant or typical livelihood for residents.² Commercial and wholesale businesses have come and gone, and most are now largely fishing trade-related, i.e., wholesale fish dealers, etc.

Intensive economic development opportunities in Little Compton are limited by the lack of infrastructure, highway access and perhaps, most importantly, the desire of residents to maintain the unique rural/village character of the community. Many residents participating in the development of this Plan have expressed the desire to be able to work in Town, and to have local jobs available for their children.

¹ Historic and Architectural Resources of Little Compton, Rhode Island, Rhode Island Historical Preservation Commission, 1990, pages 15-16.

² Historic and Architectural Resources of Little Compton, Rhode Island, Rhode Island Historical Preservation Commission, 1990, pages 15-16.

The purpose of this element is to present the economic development limitations of Little Compton, and to focus on those areas where the local economy may be enhanced while maintaining its unique historic character.

4.1 Citizen Survey

Features of the Town that survey respondents (Town residents - seasonal and year round) liked best include the quiet, seclusion, the private nature, and rural, country, farming character of the community. Nearly all respondents believed historic and farmland preservation were important activities for the Town to pursue.

Most people thought it was unimportant for the Town to allow industrial development, while there was a 50-50 split for allowing limited commercial development in designated parts of Town. Most of those interviewed were opposed to new commercial development on the Commons, and were in favor of imposing an exterior design review process for buildings on the Commons. Less than one-quarter of the respondents felt it was important for the Town to promote tourism.

These responses suggest that Town residents like the rural character of the community, and would like to maintain that quality. They are generally satisfied with the level of businesses and services existing in Town, and want to ensure that new economic development will be closely monitored. In general, survey respondents support the continuation of the Town as a rural community with limited new commercial development, and expanding economic development

4.2 Economic Profile

The Town's economy is defined through a profile of its labor force, employment, commuting patterns, commercial and industrial land and building trends, retail sales and fiscal information.

4.2.a Labor Force and Employment

The total labor force in Little Compton increased 13.0 percent from 1980 to 1990, as shown in Table 4-1, compared with an 8.2 percent increase in population over the same period. More than 42 percent of the Town's population is in the labor force.

Table 4-1
Labor Force, Participation Rate and Employment, 1980, 1985, 1990

Year	Total Population	Total Employed Persons	Total Unemployed Persons	Unemp. Rate	Overall Labor Force Participation Rate	Total Labor Force
1980	3,085	1,169	91	7.2	40.8	1,260
1985	3,301	1,331	68	4.9	42.4	1,399
1990	3,339	1,329	96	6.7	42.7	1,425
% Change 80-90	8.2	13.7	5.5	-6.9	4.7	13.0

Note: Total population in 1985 - RI Dept. of Administration, Division of Planning.
Source: RI Dept. of Administration, Division of Planning, RI Dept. of Economic Development.

Of the 1,425 people in the labor force in 1990, 96 were unemployed, about the same number as in 1980. In 1991 the unemployment rate increased to 9.7 percent from the 1990 level of 6.7 percent

More than half of Little Compton residents have managerial/professional or technical/sales/administrative support occupations (60+ percent as shown in Table 4-2).

Table 4-2
Occupational Categories of Employed Persons, 1980, 1990

Occupation	1980 Total Employed Persons	Percent of Total	1990 Total Employed Persons	Percent of Total
Managerial and professional	317	26.1	567	33.6
Technical, Sales, Administrative Support	298	24.5	448	26.5
Private household occupations	NA	-	13	0.7
Services	227	18.7	171	10.1
Farming, Forestry, Fishing	130	10.7	155	9.2
Craftsman, Repairman	133	10.9	194	11.5
Operators, Fabricators, Laborers	111	9.1	142	8.4
Total	1,216	100.0	1,690	100.0

U.S. Dept. of Commerce, Bureau of the Census, 1980.

The number of residents employed in service-related occupations has declined, while the number employed in farming and fishing has actually shown a slight increase. The 1990 Census included private household occupations, i.e., home-based trade/industry, in which

13 individuals indicated they were employed.³ Local knowledge indicates that there is likely a larger number of home-based businesses than suggested by this data.

The Rhode Island Department of Employment and Training estimates that the largest number of job openings Statewide through 1995 are expected in the sales workers and professional/technical occupational categories.

Little Compton provides less than one percent of the State's total employment, although the number of available jobs has increased over the past decade (see Table 4-3). Available employment increased from 229 positions in 1980 to 500 in 1990, approximately 118 percent. The current recession has impacted businesses in Town, as over 100 jobs were lost within one year (1989-90).

Retail trade businesses employs the greatest number of people in Little Compton. In 1990, 231 of 500 total jobs in Town were retail/wholesale trade jobs (see Table 4-3). This represents 46 percent of those employed in Little Compton. The service industries provide some 100 jobs, higher than the early 1980's, but somewhat less than the mid-late 1980's.

Agriculture, forestry and fisheries jobs have been level through the past decade, ranging from 36 to 50, and currently running at 41. Local experience indicates that many of these jobs are filled by non-resident employees.⁴ State employment forecasts show Little Compton with 577 jobs in the year 2000 and 600 jobs by 2010.⁵

3 Home-based trade/industry is defined in this element as a business which is owner-operated and situated in a principal personal residence or within an accessory structure to the residence. It may range from an accountants office to a small machinery repair shop. The zoning ordinance definition is "customary home occupation" with requirements including "limited to activities customarily carried out within a residential structure of an existing accessory structure using only tools, equipment or facilities normally utilized within a residence. Examples are sewing, knitting, painting, drawing, drafting, individual tutoring or instruction, handicraft manufacture, small instrument or small appliance repair, photography, day care for no more than three nonresident children, telephone answering or sales and occupations of a similar nature and intensity. The business shall be carried out "entirely within the principal residential structure" and "by a resident of the premises with no more than one nonresident employee or associate." Other requirements for off-street parking and other conditions are also included in the ordinance.

4 Little Compton Comprehensive Plan Committee, subcommittee on Economic Development, August 12, 1992.

5 Rhode Island Employment Forecasts, Year 2010, The State, Cities and Towns, and Analysis Zones, Division of Planning, Rhode Island Department of Administration, Technical Paper No. 127, August, 1987.

**Table 4-3
Employment Available in Little Compton**

1980-1990

Employment Category	Year												Percent Change 80-90
	80	81	82	83	84	85	86	87	88	89	90		
Agriculture, Forestry & Fishing (1)	39	37	36	48	50	50	50	45	41	45	41	5.1	
Construction	42	44	35	35	42	54	70	89	98	109	72	71.4	
Service Industries	62	70	79	80	96	105	128	127	114	131	100	61.3	
Retail Trade	86	92	101	141	168	178	190	245	268	258	231	168.6	
Finance, Insurance, Real Estate							9	7	7	7	--	NA	
Manufacturing									23	30	--	NA	
Transportation, Communications & Utilities							21	23	27	29	27	NA	
Wholesale Trade							4	9	6	5	--	NA	
TOTAL	229	243	251	304	356	387	472	545	584	614	500	118	

Notes: 1989 figures are averages for the first three quarters.

(1) Categories are defined as follows:

Agriculture, Forestry & Fishing - production of field crops, vegetables, fruits, horticultural specialties, livestock, poultry and eggs; agricultural services relating to veterinary care, animal services and landscaping; harvesting of finfish, shellfish and marine products; tree farms, forest nurseries and establishments engaged in gathering forest products.

Construction - building construction by general contractors or by operative builders; other construction by general contractors (such as heavy construction of roads, bridges etc.), and construction by special trade contractors (masonry, painting, electrical work etc.)

Service Industries - hotels and other lodging places, establishments providing personal, business, repair and amusement services; legal engineering, and other professional services, membership organizations; and other miscellaneous services.

Retail Trade - includes establishments that sell merchandise for personal or household consumption and that provide services associated with the sale of goods.

Finance, Insurance and Real Estate - banks and trust companies, credit agencies other than banks, holding companies, other investment companies, brokers and dealers in securities and commodity contracts, and security and commodity exchanges.

Manufacturing - establishments engaged in the mechanical or chemical transformation of materials or substances into new products. These establishments are usually described as plants, factories or mills and characteristically use power driven machines and materials handling equipment

Transportation, Communications & Utilities - includes establishments providing passenger and freight transportation, communication services, electricity, gas, steam, water or sanitary services.

Wholesale Trade - includes establishments or places of business primarily engaged in selling merchandise to retailers; to industrial, commercial, institutional, farm or professional business users, or to other wholesalers; or acting as agents or brokers in buying merchandise for or selling merchandise to such persons or companies.

Sources: Rhode Island Department of Economic Development 1986, 1988-1990, Rhode Island Dept. of Employment and Training 1980-1985, 1987. Rhode Island Employment Forecasts; Year 2010 - The State, Cities and Towns, and Analysis Zones, Division of Planning, Rhode Island Department of Administration, August, 1987.

4.2.b Commuting Patterns

Over 90 percent of Little Compton's labor force commutes out-of-town for work. The mean travel time to work is 27+ minutes. In 1980, 82 percent of the workers were employed in the Fall River standard metropolitan statistical area (SMSA), which includes

some towns in the east bay area, and towns which surround Fall River.⁶ Of those who work in the Fall River SMSA, 52 percent worked in Little Compton, 18 percent worked in Tiverton, and 17 percent worked in Fall River. The remaining 13 percent worked in Portsmouth, Swansea, or Westport, Massachusetts. Twenty-eight percent of the workers worked outside the Fall River SMSA.

42.c Family Income

In 1989 (the year reported in the 1990 census with respect to income), median family income in Little Compton was \$44,292, as compared to the State's median family income of approximately \$37,500.⁷ Table 4-4 illustrates income by number of families. It is striking to note that in 1979, seven percent of local families earned over \$50,000, while in 1989, 43 percent had incomes above \$50,000.

Table 4-4
Family Income in Little Compton, 1979, 1989

Income	No. of Families, 19 79	No. of Families, 1989	Percent Change, 1979-1989
Less than \$5,000	73	0	-100.0
5,000 - 9,999	175	35	-80.0
10,000 - 14,999	219	50	-77.2
15,000 - 24,999	285	128	-55.1
25,000 - 34,999	122	111	-9.0
35,000 - 49,999	114	249	118.4
50,000 or more	74	440	494.6
Total	1,062	1,013	-4.6

Source: U.S. Census, 1980, 1990.

Approximately two percent of Little Compton's families have incomes below the poverty level (\$12,100 for a family of four).

4.2.d Retail Sales

Gross retail sales of businesses in Little Compton have increased by over 200 percent since the early 1980's (\$6,000,000+ in 1982 to \$20,000,000+ in 1990). Based on the current State tax applied to these sales, the Town contributes approximately \$1.4 million to State coffers.

⁶ The 1990 Census has not provided detailed information on commuting patterns at the date of this writing.

⁷ Little Compton figure from 1990 U.S. Census, Income and Poverty Status in 1989; Rhode Island figure from Rhode Island Housing Mortgage Finance Corporation.

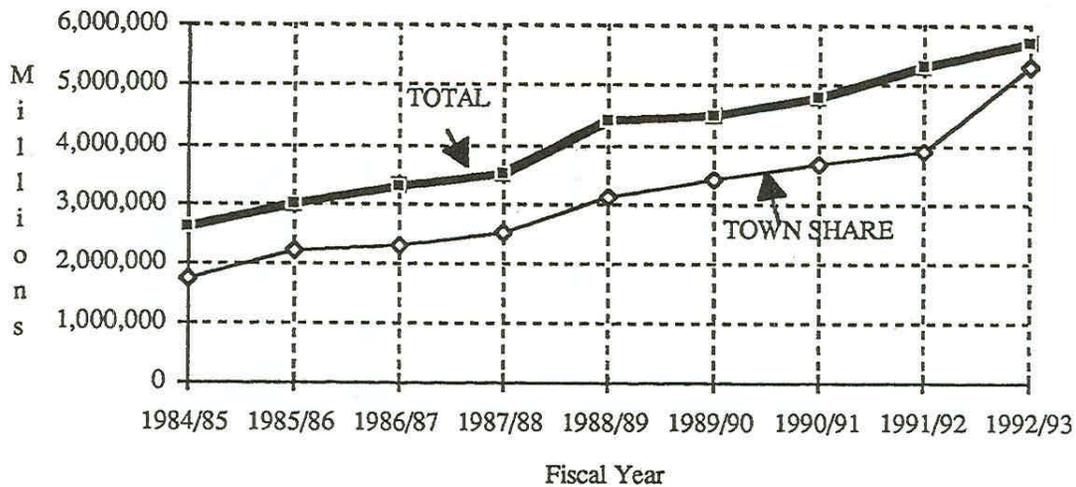
4.2.e Public Finances

Providing community services and facilities is closely tied into the fiscal condition of the community, including local budgeting, revenues and expenditures, and capital improvement programming.

Town Budget - The Town's budget reflects its assets in terms of revenues and liabilities including expenditures and transfers. Municipal departments submit budget requests to the Town Council, which reviews each request and analyzes each appropriation. Requests are reviewed at public meetings by a budget committee elected at the Annual Financial Town Meeting. The Budget Committee prepares the warrant which is submitted to the voters and Financial Town Meeting. The results of this process appear as the Town's Recommended Budget. In May, eligible residents set the tax rate for the next fiscal year.

Figure 4-1 shows trends in the total Town budget and the Town's share from fiscal year 1984/85 to 1992/93. The Town's contribution to the budget has remained fairly consistent over this period, with the exception of the present year, when State revenue was substantially decreased.

Figure 4-1
Trends in the Little Compton Budget



Source: Little Compton Taxpayers Association, April, 1992.

Expenditures - Little Compton is typical of Rhode Island communities in its distribution of municipal budget expenditures in that the majority of its expenses are for the school system. Table 4-5 shows the 1984/85 to 1992/93 (estimated) fiscal year budget expenditures.

Expenditures are divided by budget requests, i.e., independent, municipal, schools and town council. An explanation of each group is included in the notes to Table 4-5. The council controls over 28 percent of the budget, the school committee over 60 percent, other

**Table 4-5
Expenditure Trends In Little Compton**

	1984/85	1985/86	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92	1992/93
Independent	22,500	28,500	34,000	20,200	22,200	25,200	32,700	95,200	529,315
Municipal	153,367	150,585	166,713	176,650	219,340	245,416	259,540	302,885	395,627
Schools	1,679,780	1,985,958	2,109,781	2,262,088	2,656,379	2,863,173	3,099,141	3,420,807	3,414,725
Town Council	718,233	798,771	868,973	1,013,210	1,384,323	1,302,045	1,489,916	1,461,783	1,450,890
Total	2,573,880	2,963,814	3,179,467	3,472,148	4,282,242	4,435,834	4,881,297	5,280,675	5,790,557

Notes:

Independent category includes: Teen cafe, fire ponds, public library, lower town dock, Memorial Day Parade, Administrative Assistance, waste management, fire house land, study and construction, grant writer, renovate grange, Wilbour Woods, public library, and after school club.

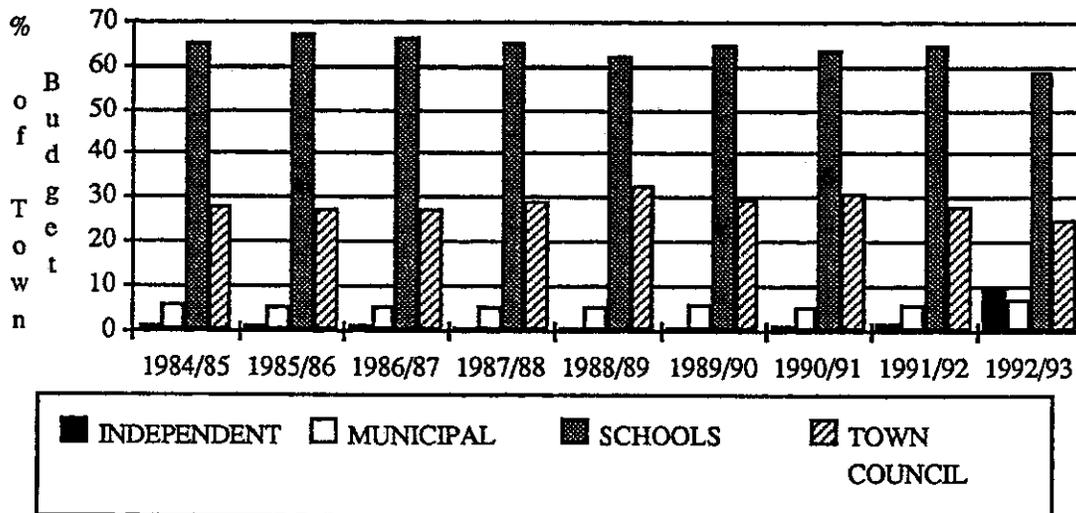
Municipal category includes: town clerk, board of assessors, treasurer, budget committee, highway services, board of canvassers, July 4th celebrations, beach commission, town records, road improvements and maintenance.

Schools category includes: school budget, teacher salaries, building loans.

Town Council category includes: town hall addition, capital expenditures, police department, fire department, fire truck fund, miscellaneous such as FICA, Blue Cross etc., pension plan, legal services, contingency fund, town council, building official, probate judge, unemployment insurance, civic recreation, transfer station, town maintenance, tree warden, computer service, tax books, and town grants.

Source: Little Compton Taxpayers Association data, May 10, 1992.

**Figure 4-2
Expenditures as a Percent of Total Budget**

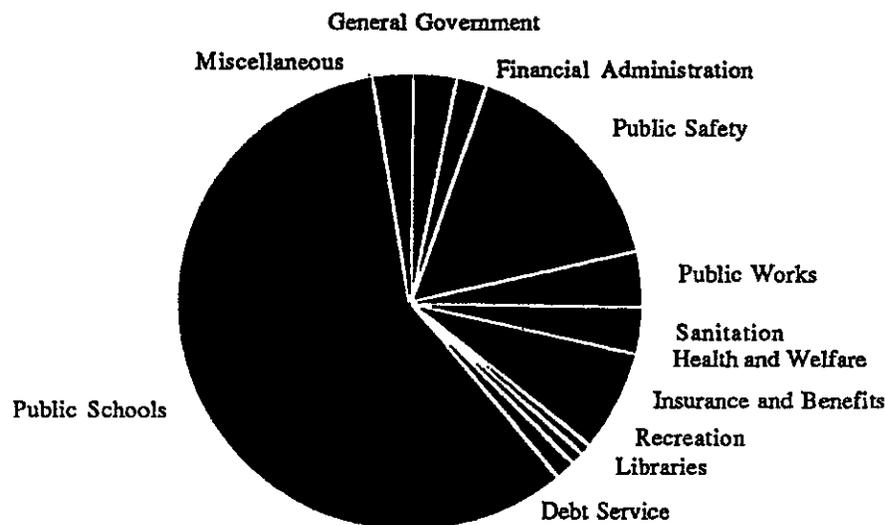


Source: Little Compton Taxpayers Association, May, 1992.

municipal activities control 5+ percent, and independent activities over 7 percent Figure 42 shows that municipal administration/management percentages have remained fairly consistent over the past few years, with requests by the Town Council ranging from 27 to 32 percent of the total budget, and municipal department requests from 5 to 7 percent. Requests by independent groups and the school committee had sizable variations, from 1 to 9 percent and 59 to 67 percent, respectively.

Over sixty percent of the Town's budget is spent for educational purposes, followed by police and fire protection, and insurance and benefits (based on 1991/1992 fiscal year data) (see Figure 4-3). Spending in most categories has increased since 1984. The largest increase over this period (320+ percent) was in independent budget expenditures for activities such as the library, lower town dock, waste management, grange renovation and fire house-related activities⁸ Figure 4-3 illustrates the changes in budget expenditure requests since 1984/85. Demands for increased services, such as the new fire house, a central meeting place such as the grange and improvements to the public library are reflected in these greater budget requirements.

**Figure 4-3
General Distribution of Expenditures in Little Compton**



Source: 1990 Annual State Report on Local Government Finance and Tax Equalization, Rhode Island Department of Administration, Office of Municipal Affairs, Division of Planning, 1992.

⁸ Little Compton Taxpayers Association Membership Meeting handout, April 22, 1992.

Per capita municipal expenditures are derived by dividing the total budget by the population. Higher spending may reflect the delivery of a broad range of services, high local wealth or high service needs. In 1989, the last year of comparable data, Little Compton ranked 16th of 39 communities (1 equals highest spending per capita, 39 is lowest spending per capita) with \$1,290 in expenditures per capita.⁹ The State average in 1989 was \$1,271 spent per capita. Rankings for communities in the immediate vicinity of Little Compton were: Tiverton - 28th, Middletown - 22nd, Portsmouth - 13th. Communities of similar population size to Little Compton ranked as follows: New Shoreham - 1st, Foster -9th, West Greenwich - 38th, and Richmond - 2nd.

Revenues - The composition of the revenue used to meet the budget requirements presented above is shown on Table 4-6 and Figure 4-4. Over 90 percent of the Town's revenues are generated through local property taxes and the remaining 10+ percent through miscellaneous revenue-producing activities. Little Compton has historically relied upon property taxes and State grants for the bulk of its revenues. The majority of State aid (80 percent) has been in the form of school operations assistance which guarantees a minimum educational program for every pupil. However, the poor condition of the State's economy has resulted in substantial reductions in the amount of aid to schools. In the 1990/91 fiscal

**Table 4-6
Composition of Revenue**

	Fiscal Yr. ending 6/30/89		Fiscal Yr. ending 6/30/90		Fiscal Yr. ending 6/30/91	
	Actual	% of Total	Actual	% of Total	Actual	% of Total
Property Tax	\$3,126,583	87.4	\$3,250,496	87.7	\$3,681,799	90.5
Licenses	32,800	0.9	60,239	1.6	5,947	0.1
Fines and Penalties	0	0.0	60,877	1.6	31,513	0.8
Rents and Interests	80,209	2.2	89,062	2.4	115,262	2.8
Grants - State	164,526	4.6	124,608	3.4	68,167	1.7
Grants - Federal	3,839	0.1	0	0.0	0	0.0
Departmental	132,169	3.7	105,131	2.8	90,053	2.2
Miscellaneous	35,917	1.0	17,826	0.5	77,169	1.9
Adjustment (1)	NA	NA	-1,424	0.0	0	0.0
Total (2)	\$3,576,043	100.0	\$3,706,815	100.0	\$4,069,910	100.0

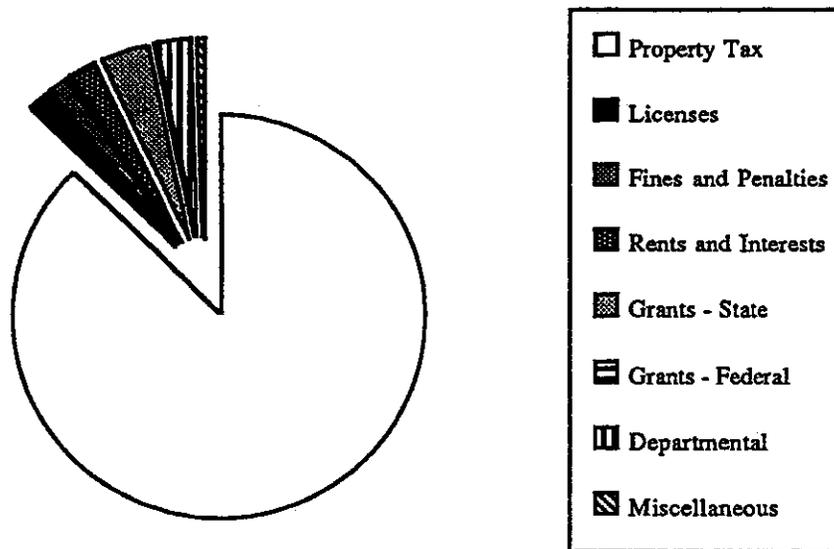
Notes: (1) Amount July and August 1989 receipts exceeded July and August 1990 receipts.
(2) Does not include State Aid to schools.

Sources: 1990 Annual State Report on Local Government Finance and Tax Equalization, Rhode Island Department of Administration, Office of Municipal Affairs, Division of Planning, 1992.
Town of Little Compton Financial Statements, June 30, 1990, Hoff, Raiche, Koziara and Martland, LTD., 1992.

⁹ In 1991, per capita municipal expenditures were \$1,214 per person. Annual State Report on Local Government Finances and Tax Equalization, Rhode Island Department of Administration, 1989, page 9.

year, State aid to schools was \$623,000+, in 1991/92 it was \$519,000+, while the proposed aid for fiscal year 1992/93 is \$63,000+.

Figure 4-4
Revenue Sources for Little Compton



Sources: 1990 Annual State Report on Local Government Finance and Tax Equalization, Rhode Island Department of Administration, Office of Municipal Affairs, Division of Planning, 1992. Town of Little Compton Financial Statements, June 30, 1990, Hoff, Raiche, Koziara and Martland, LTD., 1992.

Nearly 90 percent of the Town's property tax revenues are generated by residential property (see Table 4-7). This raises the issue of a balanced economic base, in which more commercial/industrial land provides additional revenues while demanding generally fewer services than residential uses. All indications in Little Compton point toward its continued residential orientation, which means that residents will continue to maintain the tax burden.

The ratio of revenues generated to expenditures by land use for the 1989/90 fiscal year yielded the following results:¹⁰

¹⁰ Annual State Report on Local Government Finances and Tax Equalization. Rhode Island Department of Administration, 1989. Expenditures determined as 6 percent of general government, 75 percent of public safety, 15 percent of public works, 2 percent of health and welfare and 2 percent of recreation expenditures per The Fiscal Impact Handbook: Estimating Joint Costs and Revenues of Land Development, Robert W. Burchell, David Listokin, 1980, p. 125.

Land Use	Revenues	Expenditures	Ratio
Residential	\$2,907,244	\$3,292,772	1.13
Commercial/Industrial	\$96,865	\$45,000	0.47

For every \$1.00 of revenue brought in by the residential sector, \$1.13 in expenditures was generated. In the nonresidential sector, the ratio was 1.00:0.47, or \$1.00 in revenue versus 0.47 cents in expenditure. Typically, residential land uses are more service intensive than commercial and/or industrial uses. In terms of agricultural land, an American Farmland Trust study showed that for every dollar paid in taxes by a farmer, \$0.11 in services were received.¹¹

Table 4-7
Analysis of Tax Revenue

Source	Percent of Contribution
Residential	89.44
Commercial	2.98
Industrial	0.00
Utilities	0.95
Motor Vehicles	6.22
Other	0.41
Total	100.0

Sources: 1990 Annual State Report on Local Government Finance and Tax Equalization, RI Department of Administration, Office of Municipal Affairs, Division of Planning, 1992. Town of Little Compton Financial Statements, June 30, 1990, Hoff, Raiche, Koziara and Martland, LTD., 1992.

Property Taxes - Little Compton levies the same annual property tax rate on all categories of land use, and taxes are based on the assessed value of property. Property tax rates (tax per thousand dollars assessed valuation) are shown on Table 4-8. The tax rate is determined by eligible residents at the annual Financial Town Meeting. Section 44-5-2 of the Rhode Island General Laws provides that a municipality may not levy a tax in any year in an amount more than 5.5 percent in excess of the amount levied for the prior year, unless it qualifies for certain exceptions relating to loss in non-property tax revenue, emergencies and payment of debt service.

¹¹ Town Farmland Protection, Theresa M. Levins, Connecticut Department of Agriculture, American Farmland Trust, May, 1987, page 57.

Equalized tax rates (effective tax rates) are a measure of the local property tax burden and can be compared between municipalities since they are based on comparable property values which adjust for the date a municipality last revalued its property. Little Compton's equalized tax rate has remained relatively consistent through the 1980s. Based on the most recent data available for comparison (1988), Little Compton ranked 31st out of 39 municipalities (1 indicates the high rate) in equalized tax rate, low in comparison to surrounding communities (Tiverton - 27th, Middletown - 21st and Portsmouth - 25th).¹² Communities of similar population size to Little Compton ranked as follows: New Shoreham - 34th, Foster - 38th, West Greenwich - 39th, and Richmond - 36th.

**Table 4-8
 Tax Rate Trends, 1985 - 1992**

Fiscal Year	Tax Rate
1992	12.43
1991	10.89 (Reval)
1990	15.35
1989	14.06
1988	13.75
1987	12.24
1986	10.93
1985	9.96

Source: 1990 Annual State Report on Local Government Finance and Tax Equalization, Rhode Island Department of Administration, Office of Municipal Affairs, Division of Planning, 1992.

Assessed Valuation - The net assessed value of real property (land, buildings and personal property) in Little Compton for 1990 and 1991 are as follows:

December 31,	Net Assessed Value
1991	358,011,307
1990	240,910,235

Source: Tax Book of the Town of Little Compton, 1990, 1991.

The residential component, including one family residences, two family residences, apartments and vacant residential land, contributed approximately 89 percent, higher than the State average of 65 percent. Locally, commercial uses contributed three percent and indus-

¹² Annual State Report on Local Government Finances and Tax Equalization, State of Rhode Island and Providence Plantations, Department of Administration, 1990.

trial uses contributed zero percent. Statewide, the average for commercial contributions was 19 percent and 5 percent for industrial contributions. Table 4-9 compares the percentage of total assessed valuation for Little Compton and Statewide.

Equalized Assessed Valuation - Equalized assessed valuation is a measure of the Town's total taxable wealth, in that it measures the strength of the local tax base. Little Compton's equalized assessed valuation has increased steadily in recent years, growing 260+ percent from 1982 to 1988. In the 1988 fiscal year (the most recent comparative data) Little Compton ranked 31st in equalized assessed value (1=highest, 39=lowest), compared to Tiverton (24th), Middletown (21st), Portsmouth (25th), Foster (38th) and New Shoreham (34th).

Table 4-9
Comparison of Total Assessed Valuation,
Little Compton and Rhode Island

Type	% of Total Assessed Valuation	State Average
Residential	89.02	65.21
Commercial	3.12	18.52
Industrial	0.00	4.61
Utilities and RR	0.94	2.07
Motor Vehicles	6.53	8.98
Other	0.39	0.61
Total	100.00	100.00

Sources: 1990 Annual State Report on Local Government Finance and Tax Equalization, RI Department of Administration, Office of Municipal Affairs, Division of Planning, 1992.

Capital Improvement Programming - Little Compton does not have a formal capital improvement program in place. Currently, capital improvements are forecast informally through individual departments. The capital budget is composed of capital expenditure items such as purchase of new police vehicles, communications equipment, new fire trucks and equipment, Town Hall renovations, library additions, etc. The Town Council receives the budget requests of each department, reviews and discusses the requests with department heads, and makes a recommendation *as to* how each should be funded. Those requests are reviewed at public meetings by a budget committee elected at the Annual Financial Town Meeting. The Budget Committee prepares the warrant which is submitted to the voters and Financial Town Meeting. The results of this process appear as the

Town's Recommended Budget. In May, eligible residents set the tax rate for the next fiscal year.

The Town's capital budget is critical to the operation of many Town departments, including purchase of equipment necessary to meet certain accreditation standards. Consideration of the importance of this fund in terms of providing preventive maintenance for local infrastructure, and development of a systemized methodology for all departments to prepare their capital improvement requests should be a priority.

Establishment of a capital improvement program was recommended in the 1977 Comprehensive Community Plan to "assist in the scheduling of major items of capital expenditure in a manner that will minimize severe fluctuations in annual revenue requirements." The Plan indicates that the task is usually assigned to the Planning Board by ordinance, in an advisory capacity to the Council and Budget Committee.¹³

Indebtedness - All of the Town's general obligation debt now outstanding or authorized but unissued has been authorized pursuant to the General Laws of Rhode Island. After referendum approval has been secured, the borrowing must be authorized by the Town Council. No Rhode Island municipality may incur any debt which would increase its aggregate indebtedness beyond three percent of the taxable property of the municipality. All of the Town's bonds and notes outstanding are either specifically excepted from the three percent debt limit or are within such limit.

The current three percent debt limit of the Town is \$7.2+/- million based on the net assessed valuation at December 31, 1989. The Town's outstanding debt is approximately \$3,633,080, and includes debt service on three bonds, two for Town Hall improvements and one for school improvements.

¹³ Town of Little Compton, Rhode Island Comprehensive Community Plan, Little Compton Planning Board/Little Compton Conservation Commission, October, 1977, page 47.

Public Finance Issues

- **Capital Improvements Programming** - The Town currently has no capital improvements program (CIP). Capital needs/improvements are forecast through informal individual departmental efforts. The capital budget is critical to the operation of many Town departments. The CIP should outline, by department, the particular request, the year in which the request must be satisfied, the anticipated annual cost, the Town's recommendation and the anticipated effect on the Town budget. Preferably CIP preparation would occur prior to budget submission time (September/October) to give departments the opportunity to realistically analyze their long term needs.

Consideration of the importance of this activity in terms of providing preventive maintenance for local infrastructure, and development of a systemized methodology for all departments to prepare their capital improvement requests should be a priority.

- **Tax Base** - As indicated previously in this chapter, the bulk (89+ percent) of the Town's tax revenues are contributed by residential property. As State grants and aid are further reduced, the Town's reliance on the property tax or other revenue forms will continue to increase.

The inclusion of farmland, forest land and open space in the Farm, Forest and Open Space program reduces the revenue generating potential of these lands. However, the program is useful in meeting the objectives of farmland and open space preservation. In addition, it should be recognized that farmland demands few public services such as police protection. A study conducted by the American Farmland Trust (AFT) showed that for every dollar paid in taxes by a farmer, \$0.11 in services were received.¹⁴ A residential landowner received approximately \$1.28 in services for every tax dollar paid.

¹⁴ Town Farmland Protection, Theresa M. Levins, Connecticut Department of Agriculture, American Farmland Trust, May, 1987, page 57.

- Service Demand - As the Town's year-round population increases, new residents place new demands on improved and new municipal services. This is becoming evident in the desires for a community center, improved library services, better local health services, a new fire/police facility, and more sophisticated town administration. With Little Compton's limited capacity to substantially expand its tax base, the Town must carefully balance service demands with its ability to pay for such services and facilities.

4.3 Business in Little Compton

There are over 100+/- small businesses in Little Compton (classified *as* having a maximum assessment of \$10,000), and 40+/- larger businesses (classified as having a minimum assessment of \$10,000).¹⁵ Small businesses are diverse in nature, including, but not limited to, electrical contractors, beauty salons, carpenters, lawn care, home-based industries/tradespeople, small engine repair, fish markets and computer services, etc. Larger businesses include excavating contractors, the vineyard, nurseries/landscaping, restaurants and retail stores.

A substantial number of businesses operating in Town are home-based industries/trades, defined as a business which is owner-operated and situated in a principal personal residence or within an accessory structure to the residence. It may range from an accountants office to a small machinery repair shop. The Town's zoning ordinance regulates such businesses as "customary home occupations."

Such home-based industries/trades have a long history in the community, and are seen as a vital component of the Town's economy. Home-based businesses are often inter-dependent and supportive of each other, and provide an opportunity for local residents to be economically self-sufficient. As a dynamic part of the local economy, these activities should be encouraged, supported and permitted by zoning and other regulations.

Community economic development is dependent on a number of conditions:

- Available land suitable for intensive development;
- Infrastructure - sewers, water, electricity, gas, communications;
- Adequate transportation access;

¹⁵Town of Little Compton List of Tangible Tax Codes Sorted by Tax Code, As of January 19, 1990.

- Appropriately zoned land;
- Available skilled labor force;
- Marketing; and,
- Taxes and financial conditions.

Little Compton has 90 acres of business-zoned land, 80 percent of which is developed. Its 220+ acres of industrially zoned land has been largely developed with residential uses, and the remaining land within the zoning district is wet. Soils, while largely unsuitable for intensive development, are more suited for agricultural activities.

The Town has two existing zoning districts which support economic development, an "I" zone for industrial development, and a "B" zone for commercial development. The business zoning district encompasses approximately 90 acres in three areas through the community, Adamsville, the Commons/Meeting House Lane and Sakonnet Point. There is no minimum lot size requirement for a business use within this district, but lots must be of sufficient size to accommodate the required off-street parking and loading area, and a "safe and adequate" water supply and ISDS. The business district in Adamsville supports light retail and office uses, while the district at Sakonnet Point is largely marine-related businesses and residential uses. The Commons business zone includes light retail and office, government and institutional, and recreational uses.

There is one industrial zone in the Town, located on the Tiverton Town boundary, north of Tompkins Lane, west of Long Highway and east of Pachet Brook Road. Most of this zone is currently developed for residential use, with single family homes on two acre+/- lots. The remaining undeveloped area in the zone is largely wetland. Neither public sewer or water is available in this zone, and access is limited. No industrial uses have been identified within other zoning districts in the Town. The State Division of Planning indicates that this zone is "developed primarily with incompatible uses" and should be rezoned.¹⁶

The Town has no public water or sewer, and no piped gas supply. The local calling area of the telephone system is limited, especially within Rhode Island, and the sophistication of the system is also limiting to those who may perform computer work via modem. The Town lacks immediate access to interstate highways, railroads, and airports. The labor force is diverse, but weighted heavily toward the managerial/professional type of occupation.

¹⁶ Industrial Land Use Plan, Report No. 66, State Guide Plan Element 212, Rhode Island Department of Administration, Division of Planning, May 1990.

Economic development has not been actively promoted in the community. The Town has relatively high taxes per capita, ranked 16th of 39 communities in 1989.¹⁷

These conditions have directed the types of economic development existing in Little Compton. Traditionally the economy has been tied to agriculture, fishing and more recently, seasonally-oriented retail businesses. The available labor force has few choices but to work outside of the community, and forecasts indicate that few new jobs can be expected in the future. Little Compton's workers are employed in predominantly white collar positions, earning above the State's median family income.

The seasonal increase in population, estimated at approximately 2,700 summer residents plus day and short term visitors, provides a regular boost to the economy.¹⁸ Local business is substantially enhanced during the summer months.

The slow growth of the Town's economy is attributable to its geographic location, limited accessibility, poor environmental conditions for building, and lack of infrastructure for intensive development. The citizen survey indicates that residents support the continuation of the Town as a quiet, rural farming-oriented community with limited economic development.

4.3.a Agriculture

Little Compton has historically been a farming community, beginning in the late 1600's. There are now 15 to 20 active farms in the Town.¹⁹ Active farms range in size from five+/- acres to over 250 acres, and comprise over 1,300 acres of land in the Town. The Town's tax rolls also identify over 250 land parcels considered farmland under the provisions of the Farm, Forest and Open Space Act (P.L. 1980, Chapter 252).²⁰ Little Compton farms produce crops including corn, grapes, vegetables, Christmas trees and nursery stock, as well as some livestock.

¹⁷ Annual State Report on Local Government Finances and Tax Equalization, Rhode Island Department of Administration, 1990.

¹⁸ Recreation, Conservation and Open Space Plan, Town of Little Compton, Rhode Island, 1988.

¹⁹ Rhode Island Department of Environmental Management, Division of Agriculture, Survey of Active Farmland, 1990, telephone communication with Mr. Steve Volpe of Division of Agriculture, 8/17/92. Active farms are defined in this survey as those farms of five or more acres actively engaged in agricultural production.

²⁰ Town of Little Compton List of Tangible Tax Codes Sorted by Tax Code, As of June, 1992.

While no Town-specific figures are available, an estimate of the value of Little Compton farm products is approximately \$3 million, approximately two percent of the State's total farm production value of \$140 million.²¹ This estimate is based on ideal conditions, that is, 100 percent of the total active farm acreage in production, at \$2,600 of value per crop acre.

Little Compton residents have been vigorous in working toward preserving the community's rural agricultural character. The Town established the Little Compton Agricultural Conservancy Trust in 1985 to preserve agricultural property, open space and other undeveloped natural areas toward preserving the "open rural character" of Little Compton. The Trust has taken action by acquiring development rights to parcels and acquiring others. The Trust is financed through a tax assessment (not more than five percent) on the transfer of real property in the Town. The amount of a transfer in excess of \$75,000 is subject to this tax.

Over 4,950 acres of property in Little Compton is included in the Farm, Forest and Open Space Program (Chapter 44-27 and sections 44-5-39 through 41 of the Rhode Island General Laws), one third of the Town's land area. The total assessed value of property under the Act is \$26,866,499.²² Approximately 1,570 acres of this, under 29 separate owners, is classified as "farm" land, versus forest or open space.

Property in this tax relief program provides a tax reduction to those farms which qualify on the basis of size and production. The property assessment is based on the current undeveloped value of the land rather than the "highest and best" use possible. The purpose of this program is to benefit landowners willing to make a long term commitment to reserving their land for agriculture or forestry production, or the maintenance of open space.²³ This impacts the Town's revenue income from this property, but achieves the Town's goals for farmland and open space preservation. Farmland, however, generally demands few public services such as police protection. An American Farmland Trust study showed that for

²¹ Based on 1,311 acres of active farmland, 100 percent producing, at approximately \$2,600 of value per crop acre. Telephone communication with Mr. Steve Volpe of Division of Agriculture, 8/17/92.

²² List of Property Tax Codes Sorted by Tax Code as of June 9, 1992, Town of Little Compton, Rhode Island, Total Assessments for Code 33.

²³ Rhode Island Forest Resources Management Plan, Report No. 45, State Guide Plan Element 161, Rhode Island Office of State Planning and RI Division of Forest Environment, April, 1984.

every dollar paid in taxes by a farmer, \$0.11 in services were received.²⁴ In Little Compton, a residential landowner received approximately \$1.13 in services for every tax dollar paid.

4.3.b Commercial Fishing

Sakonnet Harbor supports a small, yet diverse and flexible fishing fleet of smaller boats. This is due to several factors, including its optimal location between the ports of Newport and New Bedford, close proximity to the fishing grounds of the Atlantic Ocean and relatively easy access to major east coast markets. Approximately 23 commercial fishing vessels are based in Sakonnet Harbor.²⁵

Commercial lobstering is the most common fishing activity out of the Harbor, accounting for 75 percent of the fishing vessels. The other boats are involved in finfishing and shell-fishing.

The lobster industry is essentially composed of independent fishermen who actively lobster from April to November. Two wholesale buyers exist within the harbor, and the balance of the catch is landed in Westport, Massachusetts or Tiverton. During the past three years, finfish landed in Little Compton and Tiverton have ranged from 21 to 31 million pounds, at \$8,000,000 to \$8,200,000 in value.²⁶ Approximately 6,000,000+ total pounds of shellfish are taken annually by harbor fishing vessels.²⁷ This equals approximately \$12,900,000+ for shellfish in value. The completion of the Town dock resulted in increased wholesale competition from Point Judith and New Bedford, resulting in a benefit to local revenues.

4.4 Findings

Based on economic development subcommittee input, a number of issues relating to supporting and sustaining local economic development while not detracting from the unique character and rural setting of the community have been developed. These are as follows:

²⁴ Town Farmland Protection, Theresa M. Levins, Connecticut Department of Agriculture, American Farmland Trust, May, 1987, page 57.

²⁵ Little Compton Harbor Advisory Commission data, August, 1992.

²⁶ U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service data, August, 1992.

²⁷ U.S. Department of Commerce, National Oceanic and Atmospheric Administration, National Marine Fisheries Service data, August, 1992.

- Any economic development activities which occur in Little Compton must be sensitive to the high environmental and aesthetic quality of the community.
- The Town should encourage and promote economic development activities which are compatible with and sustaining of its existing character.
- The Town's ordinances and regulations may not be as supportive of the local economy as they could. Particular attention should be given to regulations governing fanning, fishing, and home-based trades/industries.
- The Town's natural, recreational and open space resources are important contributors to the local economy.
- Farming, agriculture, commercial fishing and aquaculture are traditional local activities which provide economic, visual, and ecological benefits to the community.
- Home-based trade/industries are traditional local economic pursuits which, along with farming and fishing, form the core of the Town's economy.
- Communications systems which serve the Town, particularly telephone service, make doing business from Little Compton difficult
- The Town lacks a central gathering place which could serve as a multi-purpose facility, aiding the local economy by providing space for local artisans to exhibit their wares etc.
- There is no individual, department, agency or group charged with community development and economic development activities. These activities have traditionally been left up to the individual businessperson, who seek out assistance on interpreting local regulation, obtaining information on loan programs etc. from the State or other sources.
- Activities which could fit into the overall local economic development scheme include elderly care/support facilities, education-related economic development, and bed and breakfast establishments.

- Cultural resource activities can be used to promote economic development.
- The Town has no established capital improvement program.

4.5 Goals and Recommendations

The Town has elected to retain its rural atmosphere through choices it has made in land use (two acre minimum lot sizes, little commercial and industrial-zoned land), and through limited provision of community services (no sewers, no public water). Its environmental characteristics (wetlands, poor soils for development, reliance on groundwater, sensitive coastal ponds) are constraining to intensive development. The Town's geographic location and limited accessibility serve to further discourage intensive economic development.

As the Town's primary economic activities, farming and fishing do not provide the number of jobs necessary to support the local population. Residents have been left with few choices in terms of employment opportunities in Town. Many commute to jobs out of the Town, others pursue home-based trades/occupations, and others own or work in retail or service establishments in Town.

Because of these factors, the Town's tax base is heavily reliant on residential property taxes for revenue. Based on these findings, the Town's goals for economic development are as follows:

- A. To promote a favorable economic climate in the Town of Little Compton which increases job opportunities for its residents, and provides for a broader tax base, and which is aesthetically and environmentally compatible with and sustaining of the Town's rural nature.
- B. To retain the existing economic development character of the Town as not infrastructure-intensive, including farming, fishing and support businesses (such as home-based trades/industries) to these industries.
- C. To retain farming and fishing as a significant contributor to the Town's economy, coupled with scenic and farmland preservation objectives.
- D. To consider the summer resident population as an important contributor to the local economy.

4.5.a Recommendations

Administration

- 4.1 The Town's ordinances and regulations should be comprehensively examined with regard to the impact they may have on local economic activities. Particular attention should be given to regulations governing farming, fishing, and home-based trades/industries. Regulations should be supportive of these activities, while providing guidelines and standards which maintain the public health, safety and welfare, as well as preserving the Town's character.

Services

- 4.2 A concerted effort should be made to improve telephone communications systems which serve the Town, particularly telephone.
- 4.3 Establish a Community Center in the renovated Grange Hall.
- 4.4 Should a Town Administrator/Planner position be established the job description for the position should include community development and economic development activities.

Industry

- 4.5 Rezone the existing industrial zone on the Tiverton Town boundary, north of Tompkins Lane, west of Long Highway and east of Pachet Brook Road, pending review of the Land Use Committee. Considering that most of this zone is currently developed for residential use, and the remaining undeveloped area in the zone is largely wetland, it would be appropriately rezoned for residential uses.

Commercial Business

- 4.6 As appropriate, amend the Zoning Ordinance to encourage business development which is compatible with and sustaining of the Town's environmental and aesthetic resource base.
- 4.7 Preserve existing commercially-zoned areas.
- 4.8 Provide guidelines which support the appropriate development of home-based trade/industries through modification of the Zoning Ordinance. Review and revise

the Zoning Ordinance as needed to provide adequate standards and to ensure that such industry is compatible with the overall environmental, aesthetic and economic goals of the community.

- 4.9 Provide guidelines which support the appropriate development of elderly care/support facilities.
- 4.10 Consider permitting and providing guidelines for education-related economic development, including executive/management training or retreats, research centers, private educational enterprises.
- 4.11 Provide guidelines which support the appropriate development and regulation of bed and breakfast establishments.

Recreation

- 4.12 Ensure public access to Town beaches and shoreline.
- 4.13 Provide guidelines for natural resource/recreation and open space-based economic activities.

Agriculture and Fishing

- 4.14 Revise Town ordinances to accommodate the changing needs of farm operations.
- 4.15 Consider promoting a farmer's market, possibly as part of the community center.
- 4.16 Continue to support traditional fishing and encourage new technologies such as aquaculture in salt water ponds.

Culture and the Arts

- 4.17 Provide non-financial support to cultural resource activities which promote economic development.

Public Finance

- 4.18 Consider establishing a formal capital improvement program with 3 to 5 year horizons.