

East Providence, RI

Taunton Avenue and The Bomes Theatre

An Urban Land Institute



Technical Advisory Panel

Report

November 8, 2007

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Attachments

Emerging Trends in Real Estate 2007 - ULI/PriceWaterhouseCoopers
Ten Principles for Rebuilding Neighborhood Retail – ULI

Technical Advisory Panel General Overview:

TAP

As part of ULI Boston's (Urban Land Institute) Outreach committee the TAP, or Technical Advisory Panel provides assistance to Towns and non-profit organizations who have requested assistance in addressing their land use challenges.

ULI

The Urban Land Institute is a 501(c) (3) non-profit research and education organization supported by its members. Founded in 1936, the institute now has more than 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

As the preeminent, multidisciplinary real estate forum, ULI facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers dedicated to creating better places.

The mission of the Urban Land Institute is to provide responsible leadership in the use of land to enhance the total environment.

TAP Process

ULI's Technical Assistance Panel (TAP) for East Providence consists of a diverse group of professionals, representing several disciplines connected with land use. Members are selected on the basis of the specific request for the particular area being assisted.

Members of the East Providence TAP are:

Evan Matthews, Chair	Senior Project Manager	RI Economic Development Corporation, RI
Tracy Smith	District Manager	ULI Boston
David Farmer, PE, AICP	Providence Office Manager	Jacobs Edwards and Kelcey
Beth O'Donnell	Vice President, Acquisitions and Development	Essex River Ventures
Scott McIsaac	Regional Vice President	John Hancock Financial Services
Anthi Frangiadis AIA	Project Architect	Polhemus, Savery, DaSilva Architects Builders
Bill Lawrence	President	CityScope, Inc.
William Lyons	President	Traffic Solutions, LLC
David Hancock	Partner	CBT Architects
Heidi Green	Planning Specialist	Quonset Development Corporation
Steve Weikal		MIT

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The process followed in this TAP was to review the TAP request and materials submitted initially by the town, with an additional information-gathering session between the TAP chairman, ULI Boston staff and key city officials. In a new format, two ULI Boston representatives, Evan Matthews and Tracy Smith, visited the City (June 13, 2007) prior to the day-long TAP effort for a city-wide visioning process. During this evening, members of the community were invited to participate and share their thoughts and ideas for how this site could best be used. Additional TAP members were then added to the group so as to provide a match of ULI members with the City request.

This information was disseminated to the TAP members in advance of the meeting date for their review. Additional research of demographic and regional demographic information was provided by the City for TAP panelists.

The TAP day began with a site tour of the area where the panelists were able to view the property under consideration and walk the neighborhoods that surrounded it. Several side streets were visited and other adjacent public buildings close by were visually inspected. An information-gathering meeting was then held in the Town Hall with presentations by the various abutters, town businesspersons, and other interested parties. The TAP team then conducted a closed-door session to arrive at a consensus for potential suggestions addressing the current state as well as best uses for the building specifically and Taunton Avenue as a whole. Directly following the Panel's internal working meeting, these findings and suggestions were discussed in an overview at a public presentation, which included a question and answer session at East Providence Town Hall.

As a follow up, this written report will be given to the East Providence Planning Department, and if desired also presented in a public forum to discuss the details at a future meeting.

ULI and the TAP members would like to extend a sincere thanks to the citizens and public officials of the City of East Providence who provided the excellent data, the time at multiple meetings, and coordinated the wonderful experience we had in East Providence. A special thanks goes to David Bachrach, Community Development Coordinator – Planning Department; Diane Feather, Chief Planner; Jeanne Boyle; Director – Planning Department, and other staff and local officials for their professional and home town assistance.

Questions presented by Town:

The City of East Providence requested a Technical Assistance Panel to consider the opportunities and recommend strategies for the redevelopment challenge of the Bomes Theatre and the Taunton Avenue corridor. Areas of particular concern:

1. What would be a viable and appropriate use for the building currently known as the Bomes Theatre? What use or mix of uses is appropriate?
2. What use of the Theatre could serve as a catalyst for other development along the Taunton Avenue Corridor?
3. How can Taunton Avenue be changed from a “pass through” area to one where there is a distinct sense of place?
4. What markets would be interested in development in this part of the city?
5. Is there a way that the Taunton Avenue corridor could take advantage of the triangular layout of the City Hall, Post Office and Weaver Library?

East Providence TAP History:

The City of East Providence has been home to a large vacant structure, directly across from East Providence City Hall for many years. The specific property in question, the Bomes Theatre, is currently owned by the Rose Realty Company. The theatre has been gutted and is essentially a building shell which has been vacant for as long as anyone can remember. Deliberations with the Rose family and the City of East Providence have gone in fits and spurts over the last decade, but the City has not been able to reach an agreement with the family over the final outcome of the property. The property, along with an adjacent home in the rear of the building have fallen into disrepair and have become a site for vandalism and neighborhood mischief.

The City contacted ULI to help establish what a viable use for the property would be and to see if bringing in an outside party could help reopen communications with the Rose family.

ULI TAP Observations:

After reviewing the areas under consideration, the ULI TAP panel noted several initial observations:

- The Bomes Theatre has less impact on the overall corridor than previously anticipated.
- The footprint of the theatre is smaller than anticipated but the height of the building gives it its looming presence
- Other catalysts and opportunities for revitalization besides the Bomes Theatre exist in the Taunton Avenue Corridor
- The Theatre and adjacent vacant house appear to be structurally unsound.
- There is a lost sense of “theme” or “place” to Taunton Avenue, but a strong sense of history remains.
- Taunton Avenue is “unfriendly” to traffic and pedestrians. A large number of industrial and commercial traffic combined with few traffic stops makes the street noisy.

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- Infrastructure and beautification improvements are underway
- There is a wide variation of façade and signage on Taunton Avenue
- The Taunton Avenue area features an attractive cluster of institutional and civic uses.

The Bomes Theatre site has almost direct access to the 195 highway system and is minutes away from Providence.

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The ULI TAP explored three possible development scenarios for the Bomes Theatre. All begin with the demolition of the Theatre. Possible reuses of the site that were considered:

1. Site acquisition, house demolition, first floor retail with second and third floor residential.
2. Land lease of the site with house demolition. First floor retail with second and third floor residential.
3. Preparation of a development pad with lease of the house after renovation.

Additional opportunities for non-profit community development or institutional use were also considered.

Below are the site assumptions and two sample proforma.

Bomes Theatre Site - Assumptions

Lot Size	19,602	PSF		
Land Price	14.80	PSF		
Total Square Footage	290,110			
Demolition	\$75,000			
Cost to Construct				
Apartments	\$150	PSF	\$1,620,000	
Restaurant	\$100	PSF	<u>\$540,000</u>	
			\$2,160,000	
Office Lease Rates	\$15	PSF		
Retail Lease Rates	\$16	PSF		
Apartment Rental	\$10	PSF		
Condo Sales	\$200	PSF		
Parking				3/1000

Scenario 1

Retail on first floor and apartments above

	Gross	Net	Units	Parking Requirement
Ground Floor Retail	5400	5000		15
Floor 2	5400	5000	5	10
Floor 3	5400	5000	5	10
	<u>16200</u>	<u>15000</u>		<u>35</u>

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Proforma #1

Acquisition	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Land Acquisition	(290,110)						
Demolition	(75,000)						
Construction		(2,160,000.00)					
Net Retail Rent			80,000	82,400	84,872	87,418	
Net Apartment Rent			100,000	103,000	106,090	109,273	
IRR	(365,110) 6.58%	(2,160,000)	180,000	185,400	190,962	196,691	2,622,544.80

Land Lease	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Land Acquisition		(21,000)	(21,000)	(21,000)	(21,000)	(21,000)	(350,000.00)
Demolition	(75,000)						
Construction		(2,160,000.00)					
Net Retail Rent			80,000	82,400	84,872	87,418	
Net Apartment Rent			100,000	103,000	106,090	109,273	
Disposition							2,902,544.80
Net IRR	(75,000) 8.63%	(2,181,000)	159,000	164,400	169,962	217,691	2,552,544.80

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Proforma #2							
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	
Land Acquisition	(290,110)						
Demolition	(60,000)						
Construction		(375,000)					
Tax Credits		112,500.00	65,250.00				
Net Retail Rent			40,000	41,200	42,436	43,709	
Net Apartment Rent				-	-	-	
Developable Land Value			70,000				
	11.54%	(350,110)	(262,500)	222,500	41,200	42,436	43,709
							624,415.43

Initial Recommendations:

ULI found many elements of the existing VHB plan are still relevant today. The suggestions by ULI utilize the core elements already in this prior plan and build from it. The primary conclusion that the panel developed after viewing the site, the adjacent neighborhood, local Taunton Avenue businesses as well as Warren Avenue is that there are many opportunities in the corridor, but these opportunities are not necessarily specific or reliant on the rehabilitation/redevelopment of the Bomes Theatre site. Specific recommendations include:

Re-invent “the Avenue”. Taunton Avenue is a place of transit, not a place of commerce. The City needs to slow down traffic to encourage people using the Avenue to stop and shop. In addition, initiatives should be started to encourage business development. “Capture the Commuters” that currently park on the street to use the bus. Highlighting the bike connection and other gateway opportunities will draw interest to the area. Commuters that currently use the Avenue primarily for parking will have a reason to stay and shop when the work day is over.

Repopulate the service base. Attract small businesses that offer amenities and services to residents and other new user groups such as office workers or students. Restaurants and other amenities would create more vitality to the street beyond the work day or prime commuting hours.

Continue the existing streetscape improvement program. Through cooperation with the BID, the City has worked to improve the visual quality of the Avenue through flower baskets, street flags and façade incentives. In addition, the TAP is suggesting stricter design guidelines to increase the aesthetic appeal of the Avenue and encourage investment and development.

“Densify” both residential and commercial for critical mass. Residential units on top of retail will be automatic consumers of the product below. Enlivened streets bring a sense of safety and vivacity that will increase pedestrian traffic, especially during the after-work hours.

Review the regulatory environment. Loopholes in design guidelines, review and zoning enable undesirable activity on the part of landholders. Guidelines and enforcement are important components of improving the look and feel of the area.

Create an “overlay” district for the Taunton Avenue Corridor to add residential uses. Residents = consumers. Incentives for residential development will help bring in customers for local business.

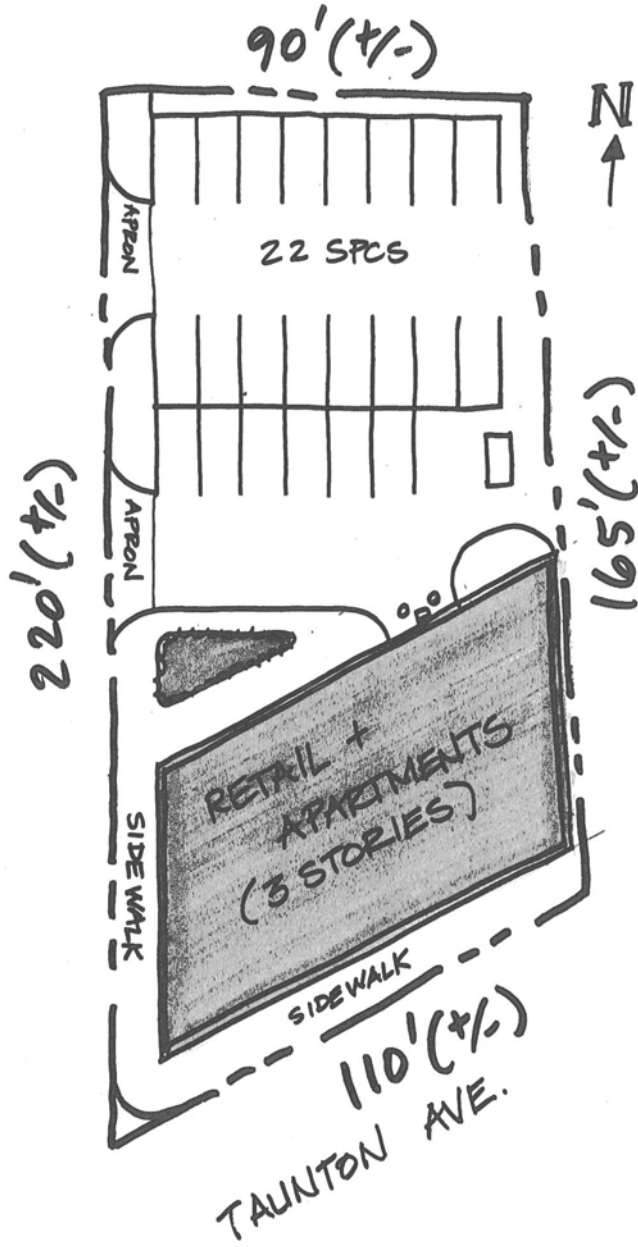
Explore Institutional uses for the Bomes Theatre site. Thorough multiple sample proformas, the panel determined that the most feasible option for the Bomes Theatre location is an institutional application. The City of East Providence needs to do everything possible to work with the existing ownership to find an institutional or non-profit development partner. It was noted that several Johnson & Wales buses traveled by throughout the TAP site visit.

Determine strategic public investment to leverage/drive private investment. With limited funds available, it is important that the City carefully consider its investments so as to encourage private development and investment in the area.

Next Steps:

Based on the proforma, it was the recommendation of the panel that the Bomes Theatre be left “as is” until the current owners decide that it is time to dispose of the property. In the meantime, the City should work to enforce zoning codes to make sure that the Bomes Theatre is properly maintained so as not to become a public safety hazard.

Incentives for developers and especially local institutions should be developed so that when the theatre site becomes available, zoning is in place to make development happen quickly. These incentives could be ways to bridge the gap between what the town would like to see built and what developments are economically attractive and feasible to developers. These incentives could take the form of bond financing; town sponsored planning initiatives, zoning incentives and public/private partnerships.



Suggested Retail Development 1



Suggested Taunton Ave. Development

Property Specifics:

The Bomes Theatre



Bomes Theatre - side view

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Bomes Theatre- view from Taunton Avenue from the sidewalk of East Providence City Hall.

It was concluded that due to current lease rates in the area and the high development costs for rebuilding the site, redevelopment of the Bomes Theatre site is dependant on an Institutional or non-traditional investor.

Adjacent vacant home (rear of Theatre)



While deemed architecturally appealing, the existing structure to the rear of the Bomes Theatre has substantial structural challenges and has become a site for vandalism and neighborhood mischief.



Vandalism behind the Bomes Theatre continues to exasperate area business and property owners.

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The Theatre (left) and adjacent business on Taunton Avenue. The panel deemed the multi-use building to the right a good example of multi-use development in the area.

The Neighborhood Surrounding the Bomes Theatre



The Neighborhood immediately surrounding the Bomes Theatre is typical for the area: single-family mixed with multi-family dwellings. On-street parking is permitted.

East Providence Assets:

Close Proximity to Major Commuting Routes and Downtown Providence

With less than $\frac{3}{4}$ mile to the major 195 interstate and one exit away from Providence, the site of the Bomes Theatre and Taunton Avenue are a viable alternative to academic, health and arts institutions that are looking for a convenient location for satellite housing or offices.

Strong Sense of History

It became evident during discussion with abutters, property owners and neighborhood residents that despite a crumbling façade, there is a sense of neighborhood nostalgia about the Theatre. Many who participated in the visioning process and the TAP expressed a hope that the site could be used for the Arts – a nod to the history of the site and the building. Residents care that the site be used in a way that benefits the community as well as the people that work and shop in the neighborhood.

Conclusion:

Although rehabilitation or renovation of the existing structure is highly unlikely, the Panel found that the Taunton Avenue corridor has much potential. The proforma analyses indicate that market rate developers and investors are not likely to embark on such a project at this location for some time, while institutional and non-traditional developers could make a project pencil out in certain circumstances. The City of East Providence can play an important role in facilitating this process and could identify potential partners that could work with Rose Realty Company on a project that works for the community and ownership expectations.