

Posted Apr. 21, 2008

Development

Group's effort to protect mill tenants paying off

By Denise Perreault

PBN Staff Writer

When Struever Bros. Eccles & Rouse Inc. began the \$300 million renovation of the former American Locomotive Co. on Valley Street in Providence about two years ago, the people in charge realized that more was at stake than the usual rehabilitation job.

Some 15 to 20 small businesses were located in the mill, and they would have to go.

"We realized this was more than dollars and cents, that people were a part of it, too" said John Sinnott, managing director of Providence operations for the Baltimore-based company.

"We asked ourselves, 'how do we deal with this?' And you deal with it by putting yourself in the other person's shoes," Sinnott said.

So, they called in the Partnership for Creative Industrial Space, a nonprofit real estate development and advocacy group for small businesses that's based in Providence and co-directed by Erik Bright and Lisa Carnevale.

The Partnership was "a neutral third party," Sinnott said, with the expertise to help small business tenants find new homes and especially to keep them in the capital whenever possible.

"We're very proud of it," Sinnott said of the help his company provided to the displaced.

They should be. That assistance cost Struever Bros. between \$200,000 and \$300,000, according to Eric Busch, development director for the firm.

And, most importantly, there was no city ordinance in place back then that required Struever Bros. to help the dislocated. They did it on their own, because they wanted to. "They are the only developer in Providence to do this voluntarily," Bright said.

The Struever Bros.' community spirit became the genesis for the relocation ordinance that Mayor David N. Cicilline recently signed into law.

The landmark measure – unique in the nation, supporters say – urges developers renovating historic mills in the Industrial Commercial Buildings District to give small business tenants at least 90 days notice of displacement and to reimburse them for relocation costs, ranging from \$2,500 to \$10,000 depending on the number of employees. Failure to comply could lead developers to lose aid from the city.

Bright and Carnevale have worked to protect displaced commercial tenants since 2004 when they founded PCIS after the two watched in frustration as one small business after another was forced to relocate with each historic mill renovation.

Bright is an artist, working in ceramics, and Carnevale belongs to Rhode Island Citizens for the Arts. "We're both advocates at heart," she said, and they created the partnership because "we saw a real need to preserve commercial space."

With a \$5,000 grant from The Rhode Island Foundation, they conducted a survey of the city's historic mill sites to study the potential impact of the renovations and they made enactment of a city law to protect small business tenants the top item on their policy agenda.

"The pilot program with Struever Bros. gave us the model, gave us the proof, that this [the dislocation ordinance] is the right thing to do, that it's needed," Carnevale said.

Since 2001, with enactment of the R.I. Historic Preservation Investment Tax Credit Program and the City of Providence's Urban Mill Initiative, more than 350 businesses with approximately 3,000 jobs were forced to move due to mill renovations, according to Carnevale and Bright. Figures on how many of those businesses stayed in Providence are not available.

Now that the ordinance is in place, the next step is to identify and compile a list of available commercial rental space in Providence, a move that Carnevale said will help displaced enterprises find new homes quickly and, most importantly, keep them in the capital. She said the partnership will work with the city planning department on preparing a list.

The General Assembly's recent decision to place a moratorium on the tax credit program may make relocation issues less of an issue going forward. But the ordinance is on the books should the program be revived, as Carnevale expects.