

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2001-37

No. 608

AN ORDINANCE ESTABLISHING A TAX STABILIZATION PLAN FOR STANLEY WEISS ASSOCIATES, AS AMENDED

Approved November 9, 2001

Be it ordained by the City of Providence:

PREAMBLE

WHEREAS, the City Council, pursuant to the General Laws of the State of Rhode Island, as amended, has the authority to exempt property in the designated Downcity Tax District used for commercial purposes from the payment of property tax if the granting of the exemption meets certain conditions set forth in said sections of the General Laws of the State of Rhode Island and the Code of Ordinances of the city of Providence; and

WHEREAS, STANLEY WEISS ASSOCIATES has made application under, and has satisfied each condition of the above mentioned sections of the Laws of the State of Rhode Island and the Code of Ordinances of the City of Providence, and

WHEREAS, it is in the public interest to provide property tax incentives for owners of under-utilized property in the Downcity District in order that there may be substantial rehabilitation of the properties and attract new residential, commercial, and institutional uses. It is also in the public interest to offer these incentives for a limited duration; and

WHEREAS, STANLEY WEISS ASSOCIATES is a commercial concern who intends to locate its facility in the City of Providence and agrees, as a condition of the hereinafter referred "tax treaty," to increase its workforce in the City of Providence with the addition of at least twenty (20) employees, by virtue of such location on 169 Weybosset Street, in Providence, Rhode Island 02903, on Assessor's Plat 20, Lots 161 & 162 ("Project") which is within the Downcity Tax District; and

No.

CHAPTER

AN ORDINANCE

IN CITY COUNCIL
April 26, 2001
FIRST READING
REFERRED TO COMMITTEE ON
Michael R. Clement
cms

THE COMMITTEE ON
Finance
Recommends - *Set up Public Hearing*
Charles Best
May 16, 2001

June 27, 2001 - Public Hearing Held

THE COMMITTEE ON
Finance
Recommends - *Passage, as Amended*
Ann M. Stelm
10-1-01 CLERK

WHEREAS, upon the conclusion of the tax treaty the Project will cause an increase in the tax base of the City and will increase employment opportunities in the City; and

WHEREAS, the payment made pursuant to this Ordinance are fair and equitable and acceptable to the City and Developer; and

WHEREAS, it is in the interest of the residents of the City of Providence to grant such an exemption to induce the development and construction of the Project in the Downcity area of the City, and such exemption will inure to the benefit of the City;

NOW THEREFORE, in consideration of the mutual agreement, understanding and obligations set forth herein, upon acceptance hereof by Developer, the City and Developer agree as follows.

SECTION 1. That the findings set forth in the preceding Preamble Clauses are hereby made and confirmed.

SECTION 2. Definitions. The following terms shall have the meanings set herein:

(a) "Commencement Date" shall mean date of passage of this Ordinance.

(b) "Personal Property" means any and all tangible personal property, including, but not limited to all fixtures, equipment, furnishings, vehicles and other personal property, now or hereafter located at the Project Site.

(c) "Project Owner" means Developer or any successor permitted hereunder.

(d) "Project Site" means 169 Weybosset Street on Plat 20, Lots 161 and 162 in the City of Providence.

(e) "Project Taxable Properties" means, collectively, the Project Site as proposed, the Real Property Improvements as made on the assumptions in the attached exhibit and the Personal Property as proposed, together, constituting the Project.

(f) "Real Property Improvements" means all structures, buildings, renovations and improvements currently proposed to be located at the Project Site. Any material additional improvements, excluding customary repairs and renovations, shall require a modification of this treaty.

(g) "Project" means the Project Site, the real property improvements in connection with the construction and operation of business units attached as Exhibit A.

(h) "Stabilized Tax Payment" means, with respect to the Project Taxable Properties, the amounts listed on the attached schedule.

(i) "Termination Date" means June 30, of the tenth year in which Stabilized Tax Payments are payable hereunder, as per the attached schedule.

SECTION 3. Term. The term of this agreement shall be for a period commencing on the date hereof and terminating on the Termination Date, per the attached schedule.

SECTION 4. Transfers. As long as STANLEY WEISS ASSOCIATES owns or operates the facility, it will continue to pay taxes on the facility. STANLEY WEISS ASSOCIATES, its successors and assigns, agree that this property will be subject to full taxation at the expiration of the tax treaty. STANLEY WEISS ASSOCIATES also agrees not to transfer the property to a tax-exempt entity or to allow any transfer by any subsequent transferee to a tax-exempt entity during the term of the tax treaty. STANLEY WEISS ASSOCIATES is also required as a condition precedent to this tax treaty to record notice of the requirement that the property covered by this Ordinance be transferred only to a tax paying entity during the term of the tax treaty in the Land Evidence Records of the City of Providence. Notwithstanding this provision, in the event that the successor to the property does not make the payments under the tax treaty, STANLEY WEISS ASSOCIATES will be responsible to make payments in lieu of taxes to the City of Providence in the amounts set forth in the attached schedule during the term of the tax treaty. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, whether by STANLEY WEISS ASSOCIATES or any subsequent transferee to such property, STANLEY WEISS ASSOCIATES will be responsible to make payments in lieu of taxes to the City of Providence during the term of the tax treaty equal to the amount of taxes which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein or in the tax treaty used in connection herewith, the provisions of this Section 2 shall continue to be given full force and effect until such time as the same shall be amended or terminated by majority vote of the City Council of Providence.

SECTION 5. Employment. It shall be the goal and STANLEY WEISS ASSOCIATES shall use its best efforts to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance

with the rules and regulations promulgated pursuant to the MBE Act). It shall be STANLEY WEISS ASSOCIATES's further goal and shall use its best efforts to award to women business enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). It shall be a further goal of STANLEY WEISS ASSOCIATES to achieve a minimum level of 10% for minority and 10% for female employment.

SECTION 6. Payment of Taxes. (a) Developer or any other Project Owner shall make Stabilized Tax Payments as prescribed in the attached schedule to the City in lieu of all other real property and personal property taxes and the City agrees to accept the Stabilized Tax Payments in lieu of such real property and personal property taxes on the Project taxable property.

SECTION 7. Purpose. STANLEY WEISS ASSOCIATES shall utilize said property for various business tenants in the areas of arts, design and technology. The Developer and all tenants, regardless of tax status, shall be responsible for all tangible taxes for furniture, fixtures and equipment, etc. In the event the tenant is a tax exempt entity the payment shall be a payment in lieu of taxes under this agreement and shall be for an amount equal to the tangible tax. Fiber optic cabling will also be offered in the building in the City of Providence. In accordance with this section, STANLEY WEISS ASSOCIATES shall require that tenants give preferential consideration to qualified applicants who reside in the City of Providence with regard to all hiring decisions during the term of this tax treaty. Failure to do so will render the treaty null and void, unless so waived by the City Council. The treaty being rendered null and void shall require the owner of the property to pay all taxes and fees as due and owing as if no treaty had been entered.

SECTION 8. Satisfaction of Obligations. The City agrees that so long as the Stabilized Tax Payments are made by the Project Owner in accordance with the terms of this agreement, the City shall, during the term of this agreement, accept said payments in full satisfaction of the obligations of the Project Owner as to the payment of any and all taxes and property assessments to the City which would otherwise be levied upon or with respect to the Project Taxable Properties, including future customary repairs and

customary renovations of the Facility and the Personal Property which may now exist or which may hereafter be placed or erected thereon or located thereat or used therein, but excluding material renovations or improvements to the Facility beyond that contemplated in the definition of Facility herein.

SECTION 9. Basis of Calculation. The schedules listed below are based upon information provided to the Tax Assessor by STANLEY WEISS ASSOCIATES including, but not limited to, estimated construction costs. In the event any of this information is inaccurate or proves to be erroneous, this treaty shall be modified to reflect the accurate information.

SECTION 10. Back Taxes. That the real property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real property tax rates in effect for the City's 2000 fiscal year. This Treaty is further conditioned upon STANLEY WEISS ASSOCIATES at all times owing no back taxes to the City of Providence or remaining current on a payment plan approved by the Tax Collector. Failure to make said timely payments may render this treaty null and void at the sole discretion of the City of Providence.

SECTION 11. Exemption Dates. That the real property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real property tax rates in effect for the City's 2000 fiscal year. The treaty shall begin with the assessments of December 31, 2000 up to and including December 31, 2009. This treaty is conditioned upon STANLEY WEISS ASSOCIATES owing no back taxes to the City of Providence or remaining current on a payment plan approved by the Tax Collector. Failure to make said timely payments may render this treaty null and void at the sole discretion of the City of Providence. The treaty being rendered null and void would require the owner to pay all taxes and fees as due and owing as if no treaty had been approved. That the City in accordance with the Laws of the State of Rhode Island and the Providence Code of Ordinances hereby grants an exemption from taxation of real property to STANLEY WEISS ASSOCIATES for the real property located at 169 Weybosset Street, in Providence, Rhode Island Assessor's Plat 20, Lots 161-162.

SECTION 12. Effective Date. This Ordinance shall take effect upon his passage.

SECTION 13. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

IN CITY COUNCIL
OCT 18 2001
FIRST READING
READ AND PASSED
Michael R. Clement

IN CITY COUNCIL
NOV 1 2001
FINAL READING
READ AND PASSED
Michael R. Clement
Clerk

APPROVED
NOV 1 2001
Vincent A. Benoit
MAYOR

MASON BUILDING PLAT 20 LOTS 161,162, SPECIAL TAX DISTRICT						
REAL PROPERTY						
Year #	% Abated	Date	Taxes Paid	Assessment Abated	Taxes Abated	Level Pmts
1	90%	12/31/01	\$ 5,921	\$ 1,593,450	\$ 53,285	\$ 32,563
2	80%	12/31/02	\$ 11,841	\$ 1,416,400	\$ 47,364	\$ 32,563
3	70%	12/31/03	\$ 17,762	\$ 1,239,350	\$ 41,444	\$ 32,563
4	60%	12/31/04	\$ 23,682	\$ 1,062,300	\$ 35,523	\$ 32,563
5	50%	12/31/05	\$ 29,603	\$ 885,250	\$ 29,603	\$ 32,563
6	40%	12/31/06	\$ 35,523	\$ 708,200	\$ 23,682	\$ 32,563
7	30%	12/31/07	\$ 41,444	\$ 531,150	\$ 17,762	\$ 32,563
8	20%	12/31/08	\$ 47,364	\$ 354,100	\$ 11,841	\$ 32,563
9	10%	12/31/09	\$ 53,285	\$ 177,050	\$ 5,921	\$ 32,563
10	0%	12/31/10	\$ 59,206	\$ -	\$ -	\$ 32,563
Totals			\$ 325,630	\$ 7,967,250	\$ 266,425	\$ 325,630
			\$ 32,563	Annual Payments		
Total Assessment	\$ 1,770,500		\$ 59,206	100% Taxes		