

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2008-21

No. 163 AN ORDINANCE CREATING THE INDUSTRIAL AND COMMERCIAL BUILDING DISTRICT TENANT RELOCATION PROGRAM

Approved APRIL 10, 2008

Be it ordained by the City of Providence:

The Industrial and Commercial Building District Tenant Relocation program is established as follows:

Section 1 - Purpose and Intent

- a) Small businesses and the creative community are a distinct asset to the city and its long term economic growth.
- b) A survey of industrial buildings indicates that approximately 1,000 businesses employing approximately 15,000 workers are located in buildings subject to the zoning regulations of the Industrial and Commercial Buildings District (ICBD).
- c) Small businesses are moving to other cities due to the lack of affordable commercial space in the city.
- d) Federal, state and municipal subsidies such as historic tax credits, tax increment financing, and tax stabilization have succeeded in attracting real estate investment.
- e) Major redevelopment of ICBD buildings has occurred accounting for the dislocation of hundreds of small businesses.
- f) To insure a balance between the long term economic growth that small businesses provide and the growth of the city's tax and job base that new development brings there is established the ICBD Tenant Relocation Program.

Section 2 - Definitions

For the administration of the ICBD Tenant Relocation Program, the defined words shall have the following meaning:

- a) **"Agreement to Rent"** – means all agreements, written or oral, and rules and regulations embodying the terms and conditions concerning the use and occupancy of a unit and premises, and also includes any terms required by law and shall mean any form of renting space whether expressed or implied where by a business pays a rent in cash, in kind or in exchange for use of space in an Eligible Building.
- b) **"Business"** - shall mean any corporation, partnership, sole proprietorship or other business entity which can document that it has operated for at least one year prior to the date of eviction, sale, or the issuance of a building permit for an Eligible Building.
- c) **"City Assistance"** – shall mean any tax stabilization, tax agreement, tax incremental financing, tax abatement or grants, whether federal state or municipal that are administered by the city.

- d) **“Eligible Building”** – shall mean a building now or hereafter in the ICBD.
- e) **“Eligible Business”** – shall mean any business that has an Agreement to Rent space in an Eligible Building that: is required to relocate because the building is being rehabilitated; has an Agreement to Rent space 12 months prior to a sale of the building for Redevelopment and is required to relocate prior to the sale of the property; or, has rented space 12 months prior to the issuance of a building permit for Redevelopment and is required to relocate. The purpose of this is to prevent owners from evicting tenants before they move forward with redevelopment plans, and thus circumventing the intention of the ordinance.
- f) **“Full-time Employee”** - shall mean an employee who works in the building to be redeveloped who has been employed by the same Eligible Business for twelve (12) consecutive months and the owner or owners of such Business, who will have averaged at least 30 hours per week of work prior to the date of eviction, sale, or the issuance of a building permit for an Eligible Building.
- g) **“ICBD”** – shall mean the overlay historic district known as the Industrial and Commercial Buildings District created in the Providence Zoning Ordinance [Ordinance 2002-7] as now or hereafter amended.
- h) **“Redevelopment”** - shall mean the renovation of an Eligible Building where the construction budget (hard costs) exceeds 50% of the assessed value of the Eligible Building as determined by the most recent city property assessment.
- i) **“Building Owner”** – shall mean the owner on record of an Eligible Building at the time when Eligible Businesses are being given notice of termination of their Agreement to Rent in order to enable Redevelopment.
- j) **“Payment”** – shall mean cash or in kind payment such as forgiveness of rental payments, payment of moving expenses or other services as established in the program rules.

Section 3 - Administration

The Department of Planning and Development shall monitor compliance with the requirements of the ICBD Tenant Relocation Program. The Department shall:

- a) Prepare and maintain a list by street address and assessor’s plat and lot of all Eligible Buildings in the ICBD. This list shall be updated at least annual and shall identify the present use of the property and whether or not the property has been rehabilitated in the past ten years.
- b) Forward the list of Eligible Buildings to the department of inspection and standards and other departments or individuals in city government who may review applications for building rehabilitation.
- c) Review applications for federal, state or municipal assistance for any Eligible Building to insure compliance with this ordinance.
- d) Establish rules for the implementation and enforcement of this ordinance. Said rules shall include requirements for notice of businesses by Building Owners as well as reporting requirements for Building Owners and businesses who receive relocation payments.
- e) Record a notice in the land evidence records indicating that a Building Owner has decided to rehabilitate the building and not comply with the provisions of this ordinance.

Section 4 - Program

- a) **Applicability** - All Eligible Buildings shall comply with this ordinance.

b) **Notice** – When the sale or Redevelopment of a building in the ICBD results in the relocation of Eligible Businesses, the Building Owner shall provide 90 days notice of termination of the Agreement to Rent to all Eligible Businesses. Said notice shall also be filed with the Department of Planning and Development along with a list of all Eligible Businesses that must relocate along with a contact for the Eligible Business.

c) **Relocation Assistance** – The Building Owner shall provide a one time relocation payment or in kind payment directly to all Eligible Businesses which are required to relocate as follows: 1-2 Full-time Employees: \$2,500; 3-5 Full-time Employees: \$5,000; 6-9 Full-time Employees: \$7,500; and 10+ Full-time Employees: \$10,000.

d) **Eligibility for Assistance** – In order to receive relocation assistance, Eligible Businesses shall be current with their Agreement to Rent.

