

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2006-44

No. 391

AN ORDINANCE ESTABLISHING AND GRANTING A TAX STABILIZATION PLAN FOR 60 VALLEY STREET, LLC, WITH RESPECT TO ASSESSOR'S PLAT 35, LOT 572 OF THE CITY OF PROVIDENCE

Approved September 26, 2006

Be it ordained by the City of Providence:

WHEREAS, the City Council of the City of Providence, pursuant to Sections 44-3-9 and 44-3-31.2 of the Rhode Island General Laws, as amended, and Sections 21-160 through 21-170.1 of the Code of Ordinances of the City of Providence, has the authority to exempt real and personal property used for manufacturing, retail, commercial, and/or residential purposes from the payment of property taxes, or to stabilize said taxes, if the granting of the exemption or stabilization plan inures to the benefit of the City of Providence by reason of physical improvements within the City of Providence which will result in a long-term economic benefit, and/or by reason of the willingness of a commercial enterprise to construct new buildings or to replace, reconstruct, convert, expand, retain or remodel existing buildings; and

WHEREAS, the City Council of the City of Providence, pursuant to R.I. Gen. Laws Sec. 44-3-32.2 has the authority to exempt and/or stabilize said taxes for a term not exceeding assessments made on and/or after December 31, 2010; and

WHEREAS, 60 Valley Street, LLC, a Rhode Island limited liability company (defined below as the "Project Owner") has made application for tax stabilization under said Rhode Island General Law 44-3-31.2 and applicable ordinance of the City of Providence (Ordinance 21-170.1, "Landmark Mill Buildings," so-called), as set forth in Exhibit A attached hereto and incorporated by reference, and has satisfied each condition of same; and

WHEREAS, there is under utilized property located at 60 Valley Street, more specifically described as Assessor's Plat 35, Lot 572 (being formerly a portion of Lot 570 of Plat 35), which is found on the Landmark Mills Buildings List, so-called; and

WHEREAS, the Project Owner has evidenced a willingness to renovate the existing structure creating below market retail, commercial and residential space

No.

CHAPTER
AN ORDINANCE

MAY 4 2006
CITY COUNCIL
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE
John M. Steen

THE COMMITTEE ON
Finance
Recommends
John M. Steen
CLERK
LH 5-30-06 P. Hwy Scheduled
6-27-06 P. Hwy held

THE COMMITTEE ON
FINANCE
Approves Passage of
The Within Ordinance
John M. Steen
Clerk.
8-17-06

Councilwoman DiRizzo, By Request

throughout the Project, including 2,000 square feet of rent free space for three (3) years to be used by the Nickerson Community Center to be used to expand their variety of programming, serving children and families of the Providence Community. Specifically, the Nickerson Community Center will provide a minimum of 1,000 square feet to its pre-existing tenant TruSkool Studios which will utilize the space to continue and expand its "after-school arts organization.", and,

WHEREAS, the Project Owner has certified that it has commenced or will commence renovation prior to December 31, 2005 and that the renovations are valued at greater than fifty (50%) of replacement value so as to be eligible for tax stabilization under City of Providence Ordinance 21-170.1; and,

WHEREAS, the Project will result in an increase in the tax base of the City of Providence, an increase in expenditures by residents in the City of Providence and will increase employment opportunities in the City of Providence; and

WHEREAS, the City Council of the City of Providence has determined it is in the best interests of the residents of the City of Providence to grant such tax stabilization to induce the development of Landmark Mill Buildings, generally, and this Project, specifically, and such tax stabilization will inure to the long-term benefit of the City of Providence,

NOW, THEREFORE, BE IT RESOLVED:

Section 1. That the findings set forth in the preceding recitals are hereby made and confirmed.

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

- (a) "Commencement Date" shall be upon passage of this ordinance.
- (b) "Personal Property" means any and all tangible personal property, including, but not limited to, all fixtures, equipment, furnishings, and other personal property, now or hereafter located at the Project Site (as hereinafter defined).
- (c) "Project" means the Project Site (as hereinafter defined), the Real Property Improvements (as hereinafter defined), and Personal Property.
- (d) "Project Owner" means 60 Valley Street, LLC, which holds legal title to the Real Property Improvements (as hereinafter defined) or Personal Property, or any successor permitted hereunder.
- (e) "Project Site" means the land, as well as improvements found thereon, designated Assessor's Plat 35, Lot 572 (formerly a portion of Lot 570), located at 60 Valley Street Street, Providence, Rhode Island, more particularly

described in the application made by Project Owner to the City Council of the City of Providence for consideration for tax stabilization as attached hereto and incorporated herein by reference as Exhibit A, which property is found on the Landmark Buildings List.

- (f) "Project Taxable Properties" means, collectively, the Project Site, as proposed, the Real Property Improvements (as hereinafter defined), and the Personal Property, together constituting the Project.
- (g) "Real Property Improvements" means all structures, buildings, renovations and improvements currently proposed to be located at the Project Site as identified in Exhibit A as attached hereto; provided, that it is understood that any material additional improvements, excluding customary repairs and renovations, shall require an amendment to this tax stabilization ordinance.
- (h) "Stabilized Assessment" means: the Project Site together with any and all existing infrastructure improvements thereon shall be the City of Providence tax assessment value as of December 31, 2000 applied to each assessment date commencing December 31, 2005 and continuing through and including December 31, 2010, as shown on Exhibit B attached hereto and incorporated by reference.
- (i) "Stabilized Tax Payments" means, with respect to the Project Taxable Properties, the amounts listed on the schedule attached hereto as Exhibit B as prepared by the tax assessor of the City of Providence and incorporated herein by reference.
- (k) "Termination Date" means June 30th of the year in which Stabilized Tax Payments based on the December 31, 2010 assessment date are to be paid in full.

Section 3. Tax Stabilization. That the City of Providence grants to the Project Owner for the Project Site for the purposes set forth in Project Owner's application attached hereto as Exhibit A the Stabilized Assessment in accordance with Exhibit B as attached for the period commencing with the December 31, 2005 assessment date through the assessment date shown on Exhibit B attached hereto.

Section 4. Term. The term of the tax stabilization shall be for a period commencing on the Commencement Date and terminating on the Termination Date, all as more particularly described on Exhibit B, as attached hereto, unless earlier terminated as provided herein.

Section 5. Stabilized Tax Payments. As long as Project Owner, or any permitted transferee, owns or operates the Project Site, it will continue to make the Stabilized Tax Payment(s) as set forth in Exhibit B as attached hereto, during the term of this tax stabilization plan. Project Owner, and any transferee permitted hereunder, agrees that the Project Site will be subject to taxation, without regard to any tax stabilization, as of the Termination Date and thereafter. Project Owner also agrees not to transfer the Project Site, or any portion thereof, to any tax-exempt entity which does not waive in writing its exemption and right to assert any exemption from any real property taxes assessed by the City of Providence ("Waiver") or to allow any transfer by any subsequent transferee to any tax-exempt entity which does not also provide such Waiver during the term of this plan to stabilize taxes. Project Owner is required as a condition precedent to this tax treaty to record notice in the Land Evidence Records of the City of Providence of the requirement that the subject property covered by this ordinance be transferred only to a tax-paying entity or to a tax exempt entity which provides such Waiver as long as this agreement is in effect. In the event that the subject property covered by this ordinance is transferred to a tax-exempt entity without such Waiver, despite the prohibition against such transfer, whether by Project Owner, or any subsequent transferee of such property, Project Owner, will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes as set forth in Exhibit B, as attached hereto, which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity without a Waiver had not been violated. In the event that Project Owner shall divide the Project Site or any portion thereof into retail, commercial and/or residential condominiums and/or cooperative, such said retail and/or commercial and/or residential condominiums and/or cooperative so converted and sold as a condominium and/ cooperative unit shall, upon recording of the deed for transfer of such unit by the Project Owner to a third party purchaser, no longer be covered under this ordinance and shall be subject to taxation without regard to any tax stabilization plan (the remaining portion of the Project shall be prorated accordingly and the tax stabilization payments scheduled hereunder will thereby be reduced accordingly), provided that Project Owner provides written notice of any such sale to the tax assessor of the City of Providence indicating the name(s) of the purchaser, the date of purchase and the purchase price of the

unit sold, otherwise said unit shall remain as part of the tax payments due from Project owner.

Section 6. Payment of Taxes. The following shall pertain to the payment of taxes set forth herein:

- (a) The Project Owner shall make Stabilized Tax Payments to the City of Providence as prescribed in the attached schedule set forth in Exhibit B to the City of Providence, in lieu of all other real property and personal property taxes and assessments of every kind and nature which would now or hereafter otherwise be levied upon the Project and the City of Providence agrees to accept the Stabilized Tax Payments in lieu of such real property and personal property taxes on the Project .
- (b) Stabilized Tax Payments due the City of Providence, pursuant to the terms of this agreement, may be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments. If quarterly payments are to be made, they shall be due on the same dates that quarterly taxes are due for all other taxpayers in the City of Providence and similarly subject to interest and late fee penalties if not timely made.
- (c) It is understood by the parties that Stabilized Tax Payments made hereunder are tax payments; and, the Project Owner shall be entitled to all the rights, privileges and obligations of a taxpayer in the City of Providence.
- (d) The liability for the Stabilized Tax Payments due and owing under this agreement shall constitute an obligation of the Project Owner, and the City of Providence shall be granted by the Project Owner a lien on the Project Taxable Properties, which lien shall be of the same priority and entitle the City of Providence to the same foreclosure remedy as the lien and foreclosure remedy provided under applicable laws and ordinances with respect to real and personal property taxes, not subject to a tax treaty or this agreement.

Section 7. Satisfaction of Obligations. The City of Providence agrees that so long as the Stabilized Tax Payments are made by the Project Owner in accordance with the terms of this ordinance, the City of Providence 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 of Providence which would otherwise be levied upon or with respect to the Project Taxable Properties, including future customary repairs and customary renovations of the Real Property Improvements 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 beyond that contemplated in the Project.

Section 8. Minority and Local Contractors/Vendors. It shall be the goal and the Project Owner shall use its best efforts to hire contractors and subcontractors and to purchase construction materials from entities which/who are situated in and/or are residents of the City of Providence. Further, the Project Owner shall use its best efforts to award 20% of the total dollar value of construction to Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs"), as defined and pursuant to Section 21-52 of the Code of City Ordinances, City of Providence, as certified by state agency or the Director of the Department of Planning and Development, City of Providence. The total fee and non-biddable "General Conditions" of the prime contractor will be deducted from the calculation. The Project Owner will use its best efforts to work with the prime contractor to reduce the size of bid packages where possible so as to maximize accessibility of contract work to small contractors from the community.

Section 9. Employment. Project Owner shall comply in all respects with the "First Source Ordinance," so-called. Any failure to abide with the terms of the First Source Ordinance shall result in this ordinance being declared null and void, *ab initio*; and, all taxes that would be been imposed on the Project will be immediately paid to the City of Providence as if this ordinance was never passed. Further, Project Owner will include in all subcontracts an affirmative action and community hiring program in which the employer commits to notify Project Owner of any job openings at the Project Site and to a willingness to interview candidates identified through said program. Project Owner has set a target minimum of ten (10%) percent over the course of the Project construction period. In addition, Project Owner agrees to provide training and/or apprenticeships for City of Providence residents hired on the Project. Such training and/or apprenticeship program shall be submitted in writing to the Director of the Department of Planning and

Development, City of Providence, for his or her written approval, as a condition precedent to any tax stabilization as envisioned under this ordinance, which may include an apprenticeship created under Section 28-45-1, et seq., of the General Laws of Rhode Island, as amended.

Section 10. Purpose. The City of Providence has entered into this tax stabilization to provide retail, commercial and residential spaces/units in the City of Providence and to increase its tax base as a result of such construction. This plan shall be in effect during its term as long as the property is utilized primarily for the Project, including the use of approximately 2,000 square feet of rent free space for three (3) years to be used by the Nickerson Community Center to be used to expand their variety of programming, serving children and families of the Providence Community, of which, 1,000 square feet will be utilized for TruSkool Studios for its "after-school arts organization," and failure to use the Project Site primarily for such purposes renders the treaty null and void. This ordinance does not extend to any building or buildings used as a "dormitory" or an "apartment dormitory." The use of any building or portion of a building for "dormitory" or "apartment dormitory" purposes would render the treaty null and void. The treaty being rendered null and void for any reason would require the Project Owner to pay all taxes and fees as due and owing as if no treaty had been entered, *ab initio*.

Section 11. Basis of Calculation for Tax Payment(s). The schedule listed in Exhibit B, as attached hereto, is based, in part, upon information provided to the tax assessor of the City of Providence by Project Owner including, but not limited to, estimated construction costs. In the event that any of this information is inaccurate or proves to be materially erroneous, this treaty shall be modified to reflect the accurate information. This tax treaty is conditioned upon commencement of construction by December 31, 2005 as certified to by the project Owner. Failure to have begun construction by December 31, 2005 as certified renders the treaty null and void and shall subject the Project Owner liable for the real estate and tangibles that would have been assessed against such property as if no treaty had been entered, all in accordance with Section 170 of the Code of Ordinances of the City of Providence..

Section 12. Back Taxes. This treaty is conditioned upon Project Owner at all times owing no back taxes to the City of Providence and remaining current on all payments due under this tax stabilization plan. Failure to make timely payments may render this treaty null and void, *ab initio*.

Section 13. Assignment. Notwithstanding any thing to the contrary contained herein, this tax treaty is not assignable by Project owner without the express written consent of the Director of the Department of Planning and Development, City of Providence, which consent will not be unreasonably withheld.

Section 14. Notices. All notices, certificates, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this section, collectively called "Notices") shall be in writing and shall be sent by registered or certified mail, postage pre-paid, return receipt requested and received overnight delivery by a recognized public or private carrier, or by facsimile, in either case as evidenced by a receipt or other evidence of delivery showing the date, time and, for facsimile, telephone number or receipt and addressed to the party to receive such Notice as identified below:

If to: City of Providence
City Hall
25 Dorrance Street
Providence, RI 02903
Attn: Mayor, City of Providence

Copies to: City Solicitor
City of Providence
275 Westminister Street, 2nd Fl.
Providence, RI 02903

Director, Department of Planning and Development
400 Westminister Street
Providence, RI 02903

If to: 60 Valley Street, LLC
1040 Hull Street, Ste 200
Baltimore, MD 21230

Section 15. Penalties and Petition for Relief. In the event that Project Owner does not comply in all material respects with any and/or all of the material provisions of this ordinance, the Director of the Department of Planning and Development, City of Providence, or the City Council of the City of Providence by resolution, may provide

written notice, mailed, postage-prepaid, to Project Owner at its/his/her last known address, setting forth the nature of the non-compliance and the date upon which the tax stabilization agreement shall be rendered null and void because of the non-compliance, unless said non-compliance is cured prior to said date ("Early Termination Date"). The full tax which would otherwise have been due and payable, if there had been no tax agreement, plus interest and penalties as provided by law ("Full Tax"), will become immediately due and payable on the Early Termination Date, with the calculation thereof being contained in the notice. However, the Early Termination Date shall be at least one hundred and twenty (120) days from the mailing of written notice. Project Owner may petition the City Council of the City of Providence, for a hearing with respect to the issue of non-compliance. The hearing shall be held within sixty (60) days of the receipt of the petition by the City Clerk, City of Providence. At the hearing Project Owner shall have an opportunity to present evidence of compliance and/or request relief. In the event that the City Council of the City of Providence, does not act after a hearing of Project Owner prior to the Early Termination Date, the determination of the Director, Department of Planning and Development, City of Providence, shall be conclusive and Project Owner shall immediately make payment of the Full Tax to the City of Providence.

Section 16. Expiration Dates. That in accordance with the laws of the State of Rhode Island and the Code of Ordinances of the City of Providence, the City Council of the City of Providence hereby approves the Project Owner's application for tax stabilization as set forth as Exhibit A and authorizes said tax stabilization as provided in this ordinance in accordance with it and with the schedule of payments set forth in Exhibit B.

Section 17. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

Section 18. Effective Date. This ordinance shall take effect upon its passage.

IN CITY COUNCIL

SEP 7 2006
FIRST READING
READ AND PASSED

Ann M. Stettin
CLERK

**IN CITY
COUNCIL**
SEP 21 2006

FINAL READING
READ AND PASSED

APPROVED
CITY COUNCIL
Ann M. Stettin
CLERK

MAYOR

9/21/06

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

CITY OF PROVIDENCE, RHODE ISLAND

APPLICATION REQUESTING

TAX STABILIZATION FOR COMMERCIAL / INDUSTRIAL & RESIDENTIAL
PROPERTIES

ACCORDING TO

CHAPTER 21 OF THE CODE ORDINANCES AS AMENDED

PAY OF NON-REFUNDABLE APPLICATION FEE
MUST ACCOMPANY APPLICATION ACCORDING TO
THE FOLLOWING SCHEDULE:

\$150.00 FOR PERMIT UP TO - \$250,000 (COM/IND)
\$225.00 FOR PERMIT FROM \$251 - \$750,000
\$300.00 FOR PERMIT OVER - \$751,000
\$200.00 FOR COMPUTER / TELEPHONE
.001% OF EST. CONSTRUCTION COSTS (RESIDENTIAL.)

DATE June 27, 2005

1. NAME & ADDRESS OF APPLICANT 60 Valley Street, LLC c/o SBER
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING 1040 Hull St., Suite 200
APPLICATION). Baltimore, MD 21230
Carl W. Struever, CEO
2. IF APPLICANT IS LESSEE, GIVE
NAME AND ADDRESS OF OWNER
AND SPECIFIC TERMS OF LEASE
3. LOCATION OF PROPERTY 60 Valley Street, 02909
4. ASSESSOR'S PLAT AND LOT AP 35 Lot 572
5. DATE & PURCHASE PRICE OF
EXISTING PROPERTY March 7, 2005,
\$285,000
6. COST & PROJECTED DATE OF
ADDITIONAL PROPERTY TO BE
PURCHASED FOR THIS
EXPANSION PROJECT None

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

7. ESTIMATED COST OF EXPANSION/ RENOVATION. (ATTACH EVIDENCE SUPPORTING SUCH FIGURE: COP OF BIDS, CONSTRUCTION CONTRACT, ARCHITECT'S CERTIFICATION). GIVE DETAILS AS TO SCOPE OF PROJECT TO BE UNDERTAKEN—# OF STORIES TYPE OF CONSTRUCTION, TOTAL SQ. FT. ETC.) Please see attached sheet
8. DESCRIBE EXISTING FACILITY:
OF STORIES Please see attached sheet
OF SQ. FT./ FLOOR _____
AGE OF BUILDING(S) _____
TYPE OF CONSTRUCTION _____
INTERIOR CONDITION _____
EXTERIOR CONDITION _____
9. APPLICATION IS MADE UNDER THE PROVISION OF THE ORDINANCE FOR THE FOLLOWING REASON(S) (CHECK ONE OR MORE)
_____ a. locate in City of Providence
_____ b. replace section of premises
_____ x d. expand building
_____ e. remodel facility
_____ f. construct new building (s)
_____ g. computer/telephone
_____ x h. other tax stabilization for owners of landmark properties on designated list in need of substantial rehabilitation
10. WILL PROPOSED CONSTRUCTION/ ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY YES x NO _____
IF YES, GIVE ESTIMATE AS TO NEW POSITIONS TO BE CREATED AND JUSTIFICATION FOR SAME Please see attached sheet
11. WILL THE PROPOSED ALTERATION/ CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE? YES _____ NO x
12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? YES x NO _____
IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED Please see attached sheet


Tax Stabilization Application for "The Plant", 60 Valley Street

Tax Stabilization Application for "The Plant", 60 Valley Street

13. CONSTRUCTION SHALL BEGIN _____ August, 2005
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED _____ May, 2006
14. ARE ALTERATIONS/CONSTRUCTION YES X NO _____
PLANS PERMITTED UNDER THE
PRESENT ZONING;

IF NO, PLEASE ADVISE AS TO _____
WHETHER APPLICATION HAS BEEN _____
OR WILL BE FILED WITH ZONING _____
BOARD OF REVIEW.
- HAS HEARING BEEN SCHEDULED? _____

IT IS THE UNDERSTANDING OF THE APPLICANT(S) THAT THE EXEMPTION, IF APPROVED, IS APPLICABLE ONLY TO COMMERCIAL/INDUSTRIAL CONCERNS WHO WISH TO LOCATE IN THE CITY, OR WHO WISH TO REPLACE, RECONSTRUCT, EXPAND OR REMODEL CURRENT FACILITIES; THAT MEET THE APPROVAL OF THE BUILDING INSPECTOR; THAT ALL CURRENT AND PAST TAXES DUE BY THE APPLICANT(S) MUST BE PAID IN FULL; THAT THE EXEMPTION WOULD BE ATTRIBUTABLE ONLY TO THAT PORTION OF THE ASSESSMENT ATTRIBUTABLE TO THIS CONSTRUCTION / RENOVATION; THAT THE EXEMPTION MAY BE REVOKED IN THE EVENT OF FRAUD OR MISREPRESENTATION BY THE APPLICANT(S).

WITNESS 

6/27/05
DATE

(S) 
SIGNATURE OF APPLICANT

SEER, Inc.
1040 Hull St. Suite 200, Baltimore, MD 21230
ADDRESS

6/27/05
DATE

RECEIVED BY CITY ASSESSOR
PROVIDENCE RHODE ISLAND

DATE _____

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

APPLICATION FEE FORWARDED TO
COLLECTOR

AMOUNT

REVIEWED BY ASSESSOR WITH THE
FOLLOWING RECOMMENDATIONS

SIGNATURE/DATE/ASSESSOR

RECEIVED BY CITY COLLECTOR

APPLICANT OWES FOLLOWING TAXES

YEAR

AMOUNT

TAXES ARE PAID IN FULL

ARRANGEMENTS HAVE BEEN MADE

YES

NO

SIGNATURE/DATE/COLLECTOR

RECEIVED BY BUILDING INSPECTOR
DATE

PLANS AS REVIEWED MEET ALL CUR-
RENT CODES/STATUTES OF CITY

YES

NO

NO VIOLATIONS EXIST ON THIS OR
OTHER PROPERTIES OWNED BY
APPLICANT

YES

NO

* VIOLATIONS EXIST AS FOLLOWS

VIOLATIONS HAVE BEEN DIS-
CUSSED WITH APPLICANT(S)
ARRANGEMENTS HAVE BEEN
MADE TO CORRECT SAME

YES

NO

SIGNATURE/DATE/BUILDING INSPECTOR

REVIEW BY THE ASSESSOR
OF THE

APPLICATION FOR TAX STABILIZATION
FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTY

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

1. Name & Address of Applicant _____

2. Location of Property _____

3. List Plat/Lot(s) _____
4. Fee Paid Yes _____ No _____
5. Application Reviewed by Building Inspection & Approved No Violations Yes _____ No _____
6. Application reviewed by Collector Yes _____ No _____
with no outstanding taxes
7. Application is eligible for program on the basis of the following (check one)
- a. _____ Cause a commercial/industrial concern to locate in the city;
- b. _____ Cause a commercial/industrial concern to replace, expand, reconstruct, or remodel existing building thereby increase tax base
- c. _____ Cause a commercial/industrial concern to construct new buildings/facilities and thereby increase employment
8. Property is eligible for stabilization program in that it meets the criteria as commercial/industrial property Yes _____ No _____
9. Application has been filed with Assessor prior to obtaining building permit Yes _____ No _____
10. Improvements to be undertaken _____

11. Recommend that the project be approved for stabilization exemption program Yes _____ No _____

RECAPITULATION OF
EXEMPTION BREAKDOWN

Assessment date prior to Stabilization _____

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

7. Estimated hard construction cost of renovation is \$7.8 million. Please see sheet on next page for schedule of construction values.

Scope of rehabilitation: The property at 60 Valley Street is part of the historic Providence Dyeing, Bleaching and Calendaring (PDB & C) mill, which is comprised of several interconnected buildings dating from the 1790s to the early 20th century. Currently, the buildings are vacant. The entire building will be renovated into approximately 86,340 GSF of commercial, residential and live-work space. The break down of space is as follows:

Commercial: 26,566 NSF of ground-floor space
Residential: 11,040 NSF (15 units)
Live/work: 30,474 NSF (14 units)

The scope of work will include complete rehabilitation of the property and site, including new roofing system; new thermal windows; and new mechanical, electrical and plumbing systems. Site scope will include the removal of underground storage tanks and the remediation of soil and groundwater contaminants under the State of Rhode Island Brownfields program.

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

CONTINUATION SHEET

AIA DOCUMENT G703

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing

Contractor's signed certification is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column 1 on Contracts where variable retainage for line items may apply.

APPLICATION NO.

APPLICATION DATE:

PERIOD TO:

ARCHITECT'S PROJECT NO:

ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	PREVIOUS APPLICATION	THIS PERIOD	STORED MATERIALS	TOTAL COMPLETED	%	BALANCE TO FINISH
1	General Requirements	500,000.00	0.00		0.00	0.00	0%	500,000.00
2	Sitework							
a	Test & inspection	10,000.00	0.00	0.00	0.00	0.00	0%	10,000.00
b	Demolition	443,315.00	0.00	0.00	0.00	0.00	0%	443,315.00
c	Earthwork	20,700.00	0.00	0.00	0.00	0.00	0%	20,700.00
d	Storm water retention	30,000.00	0.00	0.00	0.00	0.00	0%	30,000.00
e	Domestic and Fire water service	30,000.00	0.00	0.00	0.00	0.00	0%	30,000.00
f	Sanitary distribution	15,000.00	0.00	0.00	0.00	0.00	0%	15,000.00
g	Electric distribution	20,000.00	0.00	0.00	0.00	0.00	0%	20,000.00
h	Site concrete misc	238,120.00	0.00	0.00	0.00	0.00	0%	238,120.00
i	Landscaping	15,000.00	0.00	0.00	0.00	0.00	0%	15,000.00
j	Site furnishings	5,000.00	0.00	0.00	0.00	0.00	0%	5,000.00
3	Concrete	117,863.00	0.00	0.00	0.00	0.00	0%	117,863.00
4	Masonry	350,000.00	0.00	0.00	0.00	0.00	0%	350,000.00
a	Masonry Restoration	210,000.00	0.00	0.00	0.00	0.00	0%	210,000.00
5	Structural Steel	178,000.00	0.00	0.00	0.00	0.00	0%	178,000.00
a	Misc metals	90,000.00	0.00	0.00	0.00	0.00	0%	90,000.00
6	Rough Carpentry	600,837.00	0.00	0.00	0.00	0.00	0%	600,837.00
a	Finish Carpentry	68,500.00	0.00	0.00	0.00	0.00	0%	68,500.00
b	Millwork	9,900.00	0.00	0.00	0.00	0.00	0%	9,900.00
c	Common Labor & material	70,524.00	0.00	0.00	0.00	0.00	0%	70,524.00
7	Moisture Protection	10,400.00	0.00	0.00	0.00	0.00	0%	10,400.00
a	Built up roof	255,925.00	0.00	0.00	0.00	0.00	0%	255,925.00
8	Wood & plastic doors	31,280.00	0.00	0.00	0.00	0.00	0%	31,280.00
a	aluminum windows	144,000.00	0.00	0.00	0.00	0.00	0%	144,000.00
b	wood/ plastic windows	522,400.00	0.00	0.00	0.00	0.00	0%	522,400.00
c	finish hardware	7,000.00	0.00	0.00	0.00	0.00	0%	7,000.00
9	Finishes- Gypsum wallboard	388,115.00	0.00	0.00	0.00	0.00	0%	388,115.00
a	ceramic tile	25,120.00	0.00	0.00	0.00	0.00	0%	25,120.00
b	wood flooring	113,300.00	0.00	0.00	0.00	0.00	0%	113,300.00
c	resilient flooring	2,030.00	0.00	0.00	0.00	0.00	0%	2,030.00
d	painting	45,825.00	0.00	0.00	0.00	0.00	0%	45,825.00
10	Specialties-tub surround, urinal screen	6,300.00	0.00	0.00	0.00	0.00	0%	6,300.00
a	Toilet partitions	4,400.00	0.00	0.00	0.00	0.00	0%	4,400.00
b	Identifying devices/ signage	1,500.00	0.00	0.00	0.00	0.00	0%	1,500.00
c	Postal specialties	1,450.00	0.00	0.00	0.00	0.00	0%	1,450.00
d	Storage shelving	1,470.00	0.00	0.00	0.00	0.00	0%	1,470.00
e	Toilet/ bath accessories	8,800.00	0.00	0.00	0.00	0.00	0%	8,800.00
f	misc specialties	4,500.00	0.00	0.00	0.00	0.00	0%	4,500.00
11	Kitchen cabinets	17,500.00	0.00	0.00	0.00	0.00	0%	17,500.00
a	kitchen appliances	15,400.00	0.00	0.00	0.00	0.00	0%	15,400.00
12	Furnishings- window treatment	29,625.00	0.00	0.00	0.00	0.00	0%	29,625.00
14	Conveying Systems- elevators	95,000.00	0.00	0.00	0.00	0.00	0%	95,000.00
15	Plumbing complete	280,750.00	0.00	0.00	0.00	0.00	0%	280,750.00
a	Sprinkler complete	198,582.00	0.00	0.00	0.00	0.00	0%	198,582.00
b	HVAC complete	373,400.00	0.00	0.00	0.00	0.00	0%	373,400.00
16	Electrical complete	604,562.00	0.00	0.00	0.00	0.00	0%	604,562.00
17	Miscellaneous	975,189.00	0.00	0.00	0.00	0.00	0%	975,189.00
18	Contractor's Fees	583,845.00	0.00	0.00	0.00	0.00	0%	583,845.00
19	Misc.	190,230.00	0.00	0.00	0.00	0.00	0%	190,230.00
TOTAL		7,799,437.00	0.00	0.00	0.00	0.00	0%	7,799,437.00

60 Valley Street, LLC**Tax Stabilization Application for "The Plant", 60 Valley Street**

8. Description of the existing facility

The property at 60 Valley Street is comprised of nine interconnected buildings, as shown below.

Bldg. No.	Stories	SF/floor	Age (year built)	Type of construction	Interior Condition	Exterior Condition
1	1	6,195	1773	Rubble stone masonry	Poor	n/a
2	3	2,850	1843	Rubble stone masonry	Poor	Poor
3	3	4,242	1849	Rubble stone masonry; brick	Poor	Poor
4	2	3,180	1875	Rubble stone masonry; brick	Poor	Poor
5	2	5,633	1885	Brick	Poor	Poor
6	1	9,880	1887	Brick	Poor	Poor
8	4	2,408	1898	Brick	Poor	Poor
12	1	2,400	1908	Brick	Poor	Poor
13	2	14,060	1908	Brick	Poor	Poor

10. Jobs at the building once rehabilitation is complete

Construction (temporary): 90 person years

Management and maintenance: 3 jobs

Commercial tenants: 60

12. Purchase of additional furniture/fixtures/equipment

We will purchase the following furniture as part of the base building cost of construction:

- 14 refrigerators (GE or Maytag)
- 14 stoves (electric- GE or Maytag)
- 3 stackable washer/dryer units (GE or Maytag)

60 Valley Street, LLC

Tax Stabilization Application for "The Plant", 60 Valley Street

- management office supplies, including computer, copier/fax, desk, chairs, filing cabinet

60 Valley Street, LLC**Tax Stabilization Application for "The Plant", 60 Valley Street****60 VALLEY STREET TAX STABILIZATION VALUE****General**

This project is estimated to bring in an estimated \$1.1MM in annual tax revenues, while requesting a Tax Stabilization benefit of \$284,345. A summary table of estimated annual tax revenue derived from the property is below:

**THE PLANT, 60 VALLEY STREET
TAX STABILIZATION SUMMARY**

	City	State	TOTAL
Personal Property	\$30,155	\$0	\$30,155
Motor Vehicle	\$28,238	\$0	\$28,238
Retail Sales	\$0	\$262,112	\$262,112
Business Corporation	\$0	\$337,001	\$337,001
Employment Tax	\$0	\$231,562	\$231,562
Personal Income Tax	\$0	\$244,038	\$244,038
TOTAL	\$58,393	\$1,074,713	\$1,133,106
60 Valley Taxes at redeveloped value			\$278,980
Less: Taxes paid at Stabilized Value			\$30,155
Value of Tax Stabilization			\$248,825
TOTAL TAX REVENUE			\$1,133,106
Less: Tax Stabilization Benefit			\$248,825
TOTAL NEW TAXES REALIZED FROM PROJECT			\$884,281

The above calculation is an estimated amount of taxes generated through the development of these historic mill buildings. This does not account for additional taxes that will be generated through activities such as:

- Business taxes assessed on the revenues earned by the live/work residents;
- Additional taxes realized through the increased property values of properties in the local vicinity.

Below are the notes and assumptions used in justifying the tax stabilization calculations.

Personal Property

The personal property value (\$30,155) is the tax-stabilized amount we are requesting to pay. The current value of the property is \$815,000, and using the 2004 City of Providence Tax Assessment rate of \$37 per \$1,000 of assessed value, we arrive at an annual tax payment of \$30,155.

60 Valley Street, LLC
Tax Stabilization Application for "The Plant", 60 Valley Street

Motor Vehicle

60 Valley Street will create approximately 42,000 SF of residential space. Assuming 1.5 vehicles per 1,200 SF of development, this project will draw 53 new vehicle registrations into the City. Using \$7,000 as the average value of each car, our project creates \$367,780 in taxable motor vehicles. At the current City of Providence tax rate of \$76.78 per \$1,000 of assessed value, the annual motor vehicle taxes generated by this development total \$28,238.

Retail Sales

Approximately 26,566 SF of new commercial space will be created at 60 Valley Street. Assuming that new commercial space creates one job for every 500 SF of space, this project will create 53 new jobs in just the ground floor commercial space. According to the "Providence is a Creative Hub" presentation to the Providence Foundation (July 2002), Providence's creative economy generated \$160 million in sales on 2,276 employees for an average of \$70,475 in sales per employee. These companies are representative of the companies we seek to become tenants at 60 Valley Street. Based on this metric, 60 Valley's 53 new employees could reasonably expect to work to generate \$3.7 million in sales. These sales, taxed at the retail rate of 7%, will add \$262,112 in State Tax Revenues.

Business Corporation Taxes

Using the assumptions outlines above, the \$3.7 million in new sales generated at 60 Valley Street, will also be subject to the 9% Business Corporation Tax, to add \$337,001 in additional taxes for the State.

Employment Tax

Referring to the "Providence is a Creative Hub" report, the 2,276 "creative" employees in Providence earned an average salary of \$40,290. Using this average salary as a benchmark, the 53 new employees at 60 Valley will generate over \$2.1 million in new payrolls, which will be taxed as follows:

<u>Employment Tax</u>	<u>Rate</u>	<u>Taxes Generated</u>
Fed. Unemployment	6.2% (on 1 st \$7,000)	\$23,059
Social Security	6.2%	\$132,723
State Unemployment	1.83%	\$39,175
Job Development	0.21%	\$4,495
Disability (TDI)	1.5%	\$32,110
TOTAL		\$231,562

Personal Income Tax

The salaries paid to the 53 new employees will also be subject to Federal, State and Local taxes. The 2005 RI State and Local tax rate is 11.4%, and when applied to the \$2.1 million in payroll, creates \$244,038 in new taxes.

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FOR SECURITY PURPOSES, THE BORDER OF THIS DOCUMENT CONTAINS MICROPRINTING

1040 Hill Street
Suite 200
Baltimore, MD 21230

DATE July 13, 2005 CHECK NO 7500143 AMOUNT \$300.00

Pay ***** Three hundred dollars and no cents

PAY TO THE ORDER OF City of Providence
25 DORRANCE ST
PROVIDENCE, RI 02905

7500143 055003308 5152796864

11/17/2004 18:44 FAX

George S. Farrell
Fire Marshal

George D. Calise
Deputy Fire Marshal



David N. Cicilline
Mayor

David D. Costa
Chief of Department

Providence Fire Prevention Division
"Smoke Detectors Save Lives"

June 30, 2006

Department of the City Clerk
C/O Ms. Anna M. Stetson, City Clerk
Providence City Hall
10 Dorrance Street
Providence, RI 02903

Re: No Objection to Major Land Development Project 06-030MA, American Locomotive at
555 Valley Street, Providence, RI

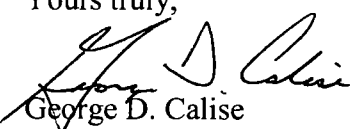
Dear Ms. Stetson:

I am in receipt of a "Notice of Approval and Notice of Appeal for Major Land Development Project" 06-030MA, American Locomotive at 555 Valley Street. The Providence Fire Department has no objection to this major land development project at the proposed locations.

This review pertains solely to the siting and fire department access to this development and shall not be construed as approval to commence construction. Architectural, mechanical, electrical, fire alarm and fire protection plans shall be separately submitted, reviewed and approved before a permit is issued and construction can commence

If I may be of further assistance, please feel free to call me.

Yours truly,


George D. Calise
Acting Fire Marshal

cc: Ms. Jannice Ashley

MUNICIPAL LIEN CERTIFICATE
CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
CITY HALL PROVIDENCE, RI 02903 (401) 331-5252

DATE	PLAT	LOT	UNIT	LOCATION
August 16, 2006	35	572		60 Valley St.

ASSESSED OWNER: 60 Valley St. LLC.

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST	TOTAL DUE
2006	RE	\$ 14,333.24	\$ -	\$ -	\$ -	\$ 14,333.24	\$ -	\$14,333.24
		14,333.24	\$ -	\$ -		\$ 14,333.24	\$ -	\$14,333.24

NOTE: INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED NO LATER THAN 30 DAYS FROM DATE.

NOTE: PLEASE BE AWARE THAT UNPAID TAXES MAY BE SUBJECT TO TAX SALE.

PLEASE CONTACT THE WATER SUPPLY BOARD AT 521-6300

PLEASE CONTACT THE NARRAGANSETT BAY COMMISSION AT 461-8828

CERTIFICATION

THIS IS TO CERTIFY THAT THE ABOVE IS TRUE AND CORRECT, SAID CERTIFICATION BEING GIVEN IN ACCORDANCE WITH 44-7-11 OF THE GENERAL LAWS OF RHODE ISLAND 1956, AS OF THE DATE PRINTED ABOVE

MAILED TO: City Council



Robert P. Ceprano
Tax Collector

EXHIBIT B

Real Estate 60 Valley St LLC

Stabilization For: 60 Valley Street LLC 60 Valley Street (Providence Dyeing, Bleaching & Calendering Co.)
 Date of Application: June 27, 2005
 City Ordinance: Code of Ordinance 21-170.1
 Parcels (Plat/Lot): Plat 35 Lot 572 (Lot 572 is decesent of Lot 570 dropped into Lots 572,573 and 574 on 4/26/96)
Assessment Assumptions:
 Assessment Valuation Date of December 31, 2000
 Tax Rate : of (2001) \$34.07

REAL ESTATE
 ASSESSMENT: \$ 344,300
 TAX RATE PER \$1000: \$34.07
 UNADJUSTED TAX CONCLUSIONS: \$ 11,730

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2006	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
2	12/31/2007	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
3	12/31/2008	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
4	12/31/2009	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
5	12/31/2010	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
6	12/31/2011	\$ 344,300	0%	\$ -	\$ 11,730	\$ -	\$ 11,730
Totals				\$ -	\$ 70,382	\$ -	\$ 70,382

ALEXANDER D. PRIGNANO
Director of Finance



DAVID N. CICILLINE
Mayor

Finance Department
"Building Pride In Providence"

August 24, 2006

City Councilman Kevin Jackson
Chairman City Council Finance Committee
Providence City Hall
25 Dorrance Street
Providence, RI 02903

RE: Fiscal Note on 60 Valley Street

Dear Chairman Jackson;

Attached is a schedule that shows an estimated cost of entering into a tax stabilization for 60 Valley Street from fiscal year 2007 through fiscal year 2012. As you can see, the stabilization mandated by formula and proposed would have the property generating \$11,730 a year for the next six years. The current taxes on the property now are \$14,333 per year. Thus in the first year the cost to the city is \$2,603. The schedule that I have attached estimates an average growth in taxes of 2.5% per year over the remaining five years of the treaty. If this is accurate, the total loss tax revenue would be \$21,175. However, this is just an estimate, it's impossible at this time to know what future tax rates will be in place and what future valuation conclusions will be, based on development activity. Hopefully this helps give you and the committee some estimate of what the cost of this proposed stabilization will be.

Any questions you may have on this fiscal note please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Alex Prignano".

Alex Prignano
Director of Finance

Cc John Simmons

EXHIBIT B

Real Estate 60 Valley St LLC

ching & Calendering Co.)

ts 572,573 and 574 on 4/26/96

<u>Taxes Abated</u>	<u>Stabilization Level Payments</u>	<u>Current Tax Payment</u>	<u>Projected Tax Payment at 2.5% Annual Increase</u>	<u>Fiscal Impact</u>
		\$ 14,333		
\$ -	\$ 11,730		\$ 14,333	\$ (2,603) *
\$ -	\$ 11,730		\$ 14,692	\$ (2,961)
\$ -	\$ 11,730		\$ 15,059	\$ (3,329)
\$ -	\$ 11,730		\$ 15,435	\$ (3,705) *
\$ -	\$ 11,730		\$ 15,821	\$ (4,091)
\$ -	\$ 11,730		\$ 16,217	\$ (4,486)
<u>\$ -</u>	<u>\$ 70,382</u>		<u>\$ 91,557</u>	<u>\$ (21,175)</u>

EXHIBIT B

Real Estate 60 Valley St LLC

Stabilization For: 60 Valley Street LLC 60 Valley Street (Providence Dyeing, Blear
 Date of Application: June 27, 2005
 City Ordinance: Code of Ordinance 21-170.1
 Parcels (Plat/Lot): Plat 35 Lot 572 (Lot 572 is decesent of Lot 570 dropped into Lot
 Assessment Assumptions:

Assessment Valuation Date of December 31, 2000	
Tax Rate : of (2001) \$34.07	
REAL ESTATE	
ASSESSMENT:	\$ 344,300
TAX RATE PER \$1000:	\$34.07
UNADJUSTED TAX CONCLUSIONS:	\$ 11,730
Assessment Valuation as of December 31, 2005	\$ 379,990
Current Tax @ \$37.72 per \$1,000	\$ 14,333

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment
	12/31/2005				
1	12/31/2006	\$ 344,300	0%	\$ -	\$ 11,730
2	12/31/2007	\$ 344,300	0%	\$ -	\$ 11,730
3	12/31/2008	\$ 344,300	0%	\$ -	\$ 11,730
4	12/31/2009	\$ 344,300	0%	\$ -	\$ 11,730
5	12/31/2010	\$ 344,300	0%	\$ -	\$ 11,730
6	12/31/2011	\$ 344,300	0%	\$ -	\$ 11,730
Totals				\$ -	\$ 70,382

* Assessment Dates 12/31/2006 and 12/31/2009 will result in revaluations