

CHAPTER 2022-59

No. 372 AN ORDINANCE ESTABLISHING A TAX STABILIZATION AGREEMENT FOR HIGH ROCK WESTMINSTER STREET, LLC

Approved November 4, 2022

Be it ordained by the City of Providence:

WHEREAS, High Rock Westminster Street, LLC (“Project Owner”) is the owner of certain real property located in the City of Providence at 111 Westminster Street, Assessor’s Plat 020, Lot 14; and

WHEREAS, 111 Westminster Street, Providence, Rhode Island is an iconic and historic structure in Downtown Providence and a center piece of the City’s skyline and despite numerous efforts to repurpose the building and return it to productive use has remained vacant for nearly a decade; and

WHEREAS, Through a public private partnership with the State of Rhode Island, Rhode Island Commerce Corporation, Rhode Island Foundation, Providence City Council, the Mayor of the City of Providence and Rhode Island Housing, the Project Owner has proposed and committed to repurposing the existing abandoned structure into a rehabilitated residential structure that will bring new hundreds of new residents to the heart of Downtown Providence; and

WHEREAS, The Project Owner has agreed, through a restrictive covenant with Rhode Island Housing, to maintain twenty percent (20%) of the new residential units being created through the Project for affordable housing for tenants earning between eighty percent (80%) and one hundred-twenty percent (120%) area median income (AMI); and

WHEREAS, The Project Owner has committed to providing a mix of retail and community dedicated space in the historic “Grand Banking Hall” at the Property to reopen the building’s doors to all citizens of the City of Providence and State of Rhode Island; and

WHEREAS, Under Article 13, Section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed thirty (30) years for the property located at 111 Westminster Street, Plat 020, Lot 14 in the City of Providence; and

WHEREAS, pursuant to the Providence Code of Ordinances, as amended, specifically Chapter 21, Article VIII, Section 21-169, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Project Owners to rehabilitate existing historic buildings and return them to useful service bringing additional residents to the area and improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Project Owners to commit by agreement to make a significant investment in the above-referenced property, by repurposing this abandoned structure bringing new residents to the neighborhood and enhancing its tax base. This will enhance the tax base of the surrounding area, and generate significant tax revenues for the City of Providence.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

“Property” shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 111 Westminster Street (also known as 55 Kennedy Plaza), Assessor’s Plat 20, Lot 14.

“Property Owner” shall mean the Project Owner or any other respective entities with the legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a thirty (30) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2022 and terminating on December 31, 2053. (Tax Years 2023- 2053).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2023 through and including tax year 2033, the Property Owner shall make a tax payment equal to the taxes due and owing for the December 31, 2022 assessment value multiplied by the then current Tax Year tax rate (hereinafter the “Base Assessment Tax”). Beginning in Tax Year 11 and continuing until Tax Year 20 of this Agreement, the Property Owner will pay the Base Assessment Tax plus Two Hundred Fifty Thousand Dollars (\$250,000.00). For the final ten tax years, the Property Owner will pay the Base Assessment Tax plus a percentage of the difference between the Base Assessment Tax on the Property and the taxes due and owing on the then-current assessed value of the Property multiplied by the then-current rate. See “Tax Stabilization Plan” incorporated herein as if fully reproduced and attached hereto and as Exhibit A. At no time during the stabilized period from Tax Year 11 through 21 shall the total amount of taxes due to the City be less than the taxes paid the previous year.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owners to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner. It is understood that the stabilized tax payments made hereunder are deemed by the City to be tax payments, and the Property Owner shall be entitled to all of the rights and privileges of a taxpayer in the City, including, without limitation, the right to challenge and appeal any assessment and/or reassessment.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause a Notice of this Agreement to be recorded at its expense in the City's official public land evidence records.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owners shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agree to provide written notice to the City within thirty (30) days of any transfer of title to the real estate.

Section 4.2. Transfer to Tax Exempt Entities. In the event that one of the respective entities comprising the Property Owner transfers one of the lots comprising the Property to a tax exempt entity, this Agreement shall be void ab initio as it pertains to the respective lot being transferred and the owner thereof and any entity holding the legal right or legal interest in the that respective lot at the time of said transfer shall be liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that one of the respective entities comprising the Property Owner transfers the Property to a tax exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, the then respective entity owning the applicable lot at the time of said sale will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Property Owner shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 31- 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 MBE Act). Property Owners shall make a good faith effort to award to Women Business Enterprises (WBE's) 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). Property Owner will request the City MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist Property Owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Project Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed Project and throughout the term of this Agreement. Project Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. Property Owner will use good faith efforts to ensure that construction materials are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, Property Owners will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the Property. In order to further that effort, Property Owner will hold seminars/meetings upon passage of this Ordinance, with the Providence MBE/WBE office, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with Property Owner in providing on-going services, equipment and materials. To be clear, nothing in the foregoing shall be construed so as to obligate Property Owner to purchase construction materials from any vendor that has not provided the lowest qualified bid in connection with the provision of such materials, as reasonably determined by Property Owner.

Section 5.5. Apprenticeship. The Property Owner shall ensure that one hundred (100) percent of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty (20) percent of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing. The Property Owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten (10) percent of the total hours worked on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the Director of Planning and Development or his/her designee quarterly verification reports to ensure compliance with this section.

The Property Owner, its construction manager or general contractor or other authorized person/entity may petition the Director of Planning and Development or his/her designee to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. Compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. Compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. Compliance is not feasible because it would create a significant economic hardship; or
- d. Compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record a Notice of this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing within thirty (30) days of the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City Council shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have ninety (90) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within ninety (90) days, then the Property Owner shall request an additional reasonable period of time from the Tax Assessor (and if an agreement on the period of time cannot be reached between the Property Owner and the Tax Assessor, then the Property Owner shall request such additional time from the City Council) to cure such default. Such reasonable request shall be granted provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Property Owner and the City Council does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City Council in its sole reasonable discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail, or by nationally recognized overnight courier (such as Federal Express or UPS) and addressed to the following parties set forth below:

- If to: City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
- If to: High Rock Westminster Street, LLC
c/o David Sweetser
111 Westminster Street, Providence, RI
PROVIDENCE, RI 02903
- Copy to: Nicholas Hemond, Esq.
Darrow Everett, LLP
One Turks Head Place, Suite 1200
Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.2. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.3. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement, unless the assessment value of the Property increases by more than ten percent (10%) between any two City-wide revaluations (as referenced in R.I. Gen. Laws § 44-5-11.6) which occur during the term of this stabilization or if there is a substantial change in circumstances regarding the value of the Property. A substantial change in circumstances shall include a vacancy or partial vacancy at the Property, loss of use of the Property as a result of fire, flood or other force majeure, loss of revenue generated by the Property or decline in the real estate market such that it negatively impacts the value of the Property. During the term of this Agreement, the Property Owner shall have the exclusive option to lease the adjacent surrounding sidewalks from the City for One Dollar and XX/100 (\$1.00). If Property Owner chooses to exercise this option, the Property Owner and the City shall entered into a lease agreement and Property Owner shall be responsible for the maintenance of the sidewalk during the term of said lease. Further, the Property Owner hereby waives any right to claim any right to be taxed pursuant to R.I.Gen.Law §45-5-13.11 at any time during, or after the expiration, of this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City Council on its progress in complying with the provisions of this Agreement, and one final report following the issuance of a certificate of occupancy for the work contemplated hereby (which reporting may be done on a Property by Property basis). Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, and evidence of employment compliance pursuant to Section 6 above. Upon receipt and review, the City Council may require and request reasonable additional non-confidential or proprietary information.

Section 9.2. Monitoring Fee. Within thirty (30) days of receiving a statement from the Tax Assessor, the Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the total project costs as presented in the Property Owner's application for each respective tax year during the term of this Agreement. This Monitoring Fee shall be paid upon the Effective Date of this Agreement as defined in Section 9.8.

Section 9.3. Agreement to Contribute to Parks and Recreation Trust Fund. Upon ratification of this Agreement by the City Council, the Property Owner shall, within thirty days of receiving a statement from the Treasurer, contribute to a Trust Fund established by the City of Providence, of which the Treasurer shall be the trustee. The Fund shall be identified as the "City Council Parks and Recreation Fund." The City Council shall establish regulations pertaining to the disbursement of funds.

- (a) Payments to the Fund. The Property Owner shall make annual payments to the Fund in the amount of Five (5) percent of the abated tax for each respective tax year, for as long as this Agreement is in full force and effect. Said annual payments will be payable on the last day of each subsequent tax year after the Commencement Date. Additionally, in the first three years of this Agreement, the Property Owner shall contribute a total of \$2,5000.00 in each year. If, for any reason, this Agreement is retroactively revoked, the payments to the fund shall remain and will not be forfeited back to the Property Owner due to a default. By way of example only, if the tax savings for Year 4 is \$500,000, the contribution for Year 4 shall be \$25,000.
- (b) Investment and Distribution of the Fund. The trust fund will be invested by the Board of Investment Commissioners, and an annual distribution of the investment shall be used to provide funds to the Department of Parks and to the Department of Recreation for capital improvements in neighborhood parks and recreation centers. Said annual distribution shall not supplant any funds that are provided to the Department of Parks and the Department of Recreation through the operating budget. Distributions may never exceed the earnings in the year of distribution or reduce the corpus of the fund. The first payment from the fund shall begin in the fifth year after the establishment of the fund.

Section 9.4 Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.5. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.6. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.7. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owners and may not be amended or modified except as expressed in this document.

Section 9.8. Effective Date. This Agreement shall take effect upon passage of this Ordinance by the Providence City Council, and approval by the Mayor.

IN CITY COUNCIL
OCT 20 2022
FIRST READING
READ AND PASSED

IN CITY COUNCIL
NOV 03 2022
FINAL READING
READ AND PASSED

Jina L. Mastrosianni
CLERK
ACTING

Jina L. Mastrosianni
CLERK
ACTING

JOHN J. IGLOZZI, PRESIDENT

I HEREBY APPROVE. I HEREBY APPROVE.

[Signature]
Mayor
Date: 11/4/22

EXHIBIT A

TSA Year 21	Base Assessment Tax + 10% of Current Assessed Value
TSA Year 22	Base Assessment Tax + 20% of Current Assessed Value
TSA Year 23	Base Assessment Tax + 30% of Current Assessed Value
TSA Year 24	Base Assessment Tax + 40% of Current Assessed Value
TSA Year 25	Base Assessment Tax + 50% of Current Assessed Value
TSA Year 26	Base Assessment Tax + 60% of Current Assessed Value
TSA Year 27	Base Assessment Tax + 70% of Current Assessed Value
TSA Year 28	Base Assessment Tax + 80% of Current Assessed Value
TSA Year 29	Base Assessment Tax + 90% of Current Assessed Value
TSA Year 30	Base Assessment Tax + 95% of Current Assessed Value



MEMORANDUM

FROM: LAWRENCE J. MANCINI, CHIEF FINANCIAL OFFICER
TO: PROVIDENCE CITY COUNCIL FINANCE COMMITTEE
PROVIDENCE ACTING CITY CLERK TINA MASTROIANNI
RE: 111 WESTMINSTER STREET TAX STABILIZATION AGREEMENT (TSA)

Honorable City Council Finance Committee Members,

Attached you will find financial terms and facts regarding the TSA for 111 Westminster Street, commonly referred to as the "Superman" building. There are a few components that are helpful in understanding the context of this attachment.

First, the attachment outlines a 30-year TSA, as allowed with recently authorized General Assembly approval. The terms outline the base assessment of the current unoccupied property at \$14,093,500, and assume the current tax rate approved by the Mayor and City Council for a commercial property of \$35.40/\$1,000, bringing the starting annual tax amount for the property to \$498,910. Terms also outline scheduled tax revaluations which are required by state law every three years.

Additionally, while the terms and facts compare the development of this property both with and without a TSA, it is important to note that the construction of this property would not be possible without a State and City incentive package. Without an incentive package, this historic landmark building would remain unoccupied and unable to contribute to the downtown economy.

Beyond the TSA provided by the City of Providence, it is worth outlining the context related to the development of this property. While under construction, the revitalization of the Superman building will drive significant economic activity, bringing nearly 1,600 construction jobs to downtown Providence. In addition, this project will provide critical new housing opportunities through the creation of 285 residential units, including 57 affordably-priced units. Lastly, it is the policy of the City of Providence that minority business enterprises (MBEs) and women business enterprises (WBEs) should have the maximum opportunity to participate in procurements and projects as prime contractors and vendors. The developer has committed to working with the City to achieve a 20% MBE/WBE participation in this project.

Our team stands ready to answer any questions about the financial components of this TSA.

111 Westminster Street Tax Stabilization Agreement Fiscal Impact Analysis											
Proposed Ordinance											
Plat 20 LOT 14											
TERMS & FACTS											
357,000+ Sq. Ft. 285 Apts (20% affordable) retail											
\$200 million REHABILITATION OF HISTORIC BUILDING											
30 YEAR TSA. YEAR 1-10 FROZEN AT 12/31/2021 ASSESSMENT											
Base Assessment & TAX YR. 1-30											
FLAT ADDITIONAL TAX SUM YR. 11-20											
Total											
14,093,500.00											
\$498,910											
\$250,000											
\$748,910											
STABILIZATION YEAR #	Assessment DATE	ASSESSMENT ESTIMATE	TAX RATE PER \$1000	UNADJUSTED TAX CONCLUSION	% TAXABLE	STABILIZATION ASSESSMENT TAXABLE	STABILIZATION ASSESSMENT ABATED	STABILIZATION TAX AMOUNT	EXEMPTED STABILIZATION TAX AMOUNT	PAYMENT SCHEDULE	
1	12/31/2022	\$14,093,500	35.40	\$498,910	0%	14,093,500	-	\$498,910	\$0	\$498,910	
2	12/31/2023	\$14,093,500	35.40	\$498,910	0%	14,093,500	-	\$498,910	\$0	\$498,910	
3	12/31/2024	\$14,093,500	35.40	\$498,910	0%	14,093,500	-	\$498,910	\$0	\$498,910	
4	12/31/2025	\$14,093,500	35.40	\$498,910	0%	14,093,500	-	\$498,910	\$0	\$498,910	
*5	12/31/2026	\$54,150,000	35.40	\$1,916,910	0%	14,093,500	40,056,500	\$498,910	\$1,418,000	\$498,910	
6	12/31/2027	\$54,150,000	35.40	\$1,916,910	0%	14,093,500	40,056,500	\$498,910	\$1,418,000	\$498,910	
7	12/31/2028	\$55,233,000	35.40	\$1,955,248	0%	14,093,500	41,139,500	\$498,910	\$1,456,338	\$498,910	
8	12/31/2029	\$55,233,000	35.40	\$1,955,248	0%	14,093,500	41,139,500	\$498,910	\$1,456,338	\$498,910	
9	12/31/2030	\$55,233,000	35.40	\$1,955,248	0%	14,093,500	41,139,500	\$498,910	\$1,456,338	\$498,910	
10	12/31/2031	\$56,337,660	35.40	\$1,994,353	0%	14,093,500	42,244,160	\$498,910	\$1,495,443	\$498,910	
11	12/31/2032	\$56,337,660	35.40	\$1,994,353	0%	14,093,500	42,244,160	\$498,910	\$1,245,443	\$748,910	
12	12/31/2033	\$56,337,660	35.40	\$1,994,353	0%	14,093,500	42,244,160	\$748,910	\$1,245,443	\$748,910	
13	12/31/2034	\$57,464,413	35.40	\$2,034,240	0%	14,093,500	43,370,913	\$748,910	\$1,285,330	\$748,910	
14	12/31/2035	\$57,464,413	35.40	\$2,034,240	0%	14,093,500	43,370,913	\$748,910	\$1,285,330	\$748,910	
15	12/30/2036	\$57,464,413	35.40	\$2,034,240	0%	14,093,500	43,370,913	\$748,910	\$1,285,330	\$748,910	
16	12/30/2037	\$58,613,701	35.40	\$2,074,925	0%	14,093,500	44,520,201	\$748,910	\$1,326,015	\$748,910	
17	12/30/2038	\$58,613,701	35.40	\$2,074,925	0%	14,093,500	44,520,201	\$748,910	\$1,326,015	\$748,910	
18	12/30/2039	\$58,613,701	35.40	\$2,074,925	0%	14,093,500	44,520,201	\$748,910	\$1,326,015	\$748,910	
19	12/29/2040	\$59,785,975	35.40	\$2,116,424	0%	14,093,500	45,692,475	\$748,910	\$1,367,514	\$748,910	
20	12/29/2041	\$59,785,975	35.40	\$2,116,424	0%	14,093,500	45,692,475	\$748,910	\$1,367,514	\$748,910	

*Projected completion is Year 5 which begins our estimated values. Starting in year 7 for purposes of estimated assessed value, an increase of 2% per reval cycle is projected.

STABILIZATION YEAR #	Reval Year	Assessment DATE	ASSESSMENT ESTIMATE	TAX RATE PER \$1000	UNADJUSTED TAX CONCLUSION	% TAXABLE	*Phase-in % Value - Base Assessment	Phase-in tax amount	Base Tax + Phase-in Tax	EXEMPTED STABILIZATION TAX AMOUNT	PAYMENT SCHEDULE
21	Reval Year	12/31/2042	\$59,785,975	35.40	\$2,116,424	10%	4,569,248	\$ 161,751	\$660,661	\$1,455,762	\$660,661
22		12/31/2043	\$60,981,695	35.40	\$2,158,752	20%	9,377,639	\$ 331,968	\$830,878	\$1,327,874	\$830,878
23		12/31/2044	\$60,981,695	35.40	\$2,158,752	30%	14,066,459	\$ 497,953	\$996,863	\$1,161,889	\$996,863
24	Reval Year	12/31/2045	\$60,981,695	35.40	\$2,158,752	40%	18,755,278	\$ 663,937	\$1,162,847	\$995,905	\$1,162,847
25		12/31/2046	\$62,201,329	35.40	\$2,201,927	50%	24,053,914	\$ 851,509	\$1,350,418	\$851,509	\$1,350,418
26		12/31/2047	\$62,201,329	35.40	\$2,201,927	60%	28,864,697	\$ 1,021,810	\$1,520,720	\$681,207	\$1,520,720
27	Reval Year	12/31/2048	\$62,201,329	35.40	\$2,201,927	70%	33,675,480	\$ 1,192,112	\$1,691,022	\$510,905	\$1,691,022
28		12/31/2049	\$63,445,355	35.40	\$2,245,966	80%	39,481,484	\$ 1,397,645	\$1,896,554	\$349,411	\$1,896,554
29		12/31/2050	\$63,445,355	35.40	\$2,245,966	90%	44,416,670	\$ 1,572,350	\$2,071,260	\$174,706	\$2,071,260
30	Reval Year	12/31/2051	\$63,445,355	35.40	\$2,245,966	95%	46,884,263	\$ 1,659,703	\$2,158,613	\$87,353	\$2,158,613
STABILIZATION TOTALS					\$56,174,964		\$546,015,132	\$ 694,673,013	\$26,818,035	\$29,356,929	\$26,818,035
*Calculated by estimated assessment, less base year, times incremental % per year. Added to base payment of \$498,910										TOTAL PAYMENT	\$26,818,035

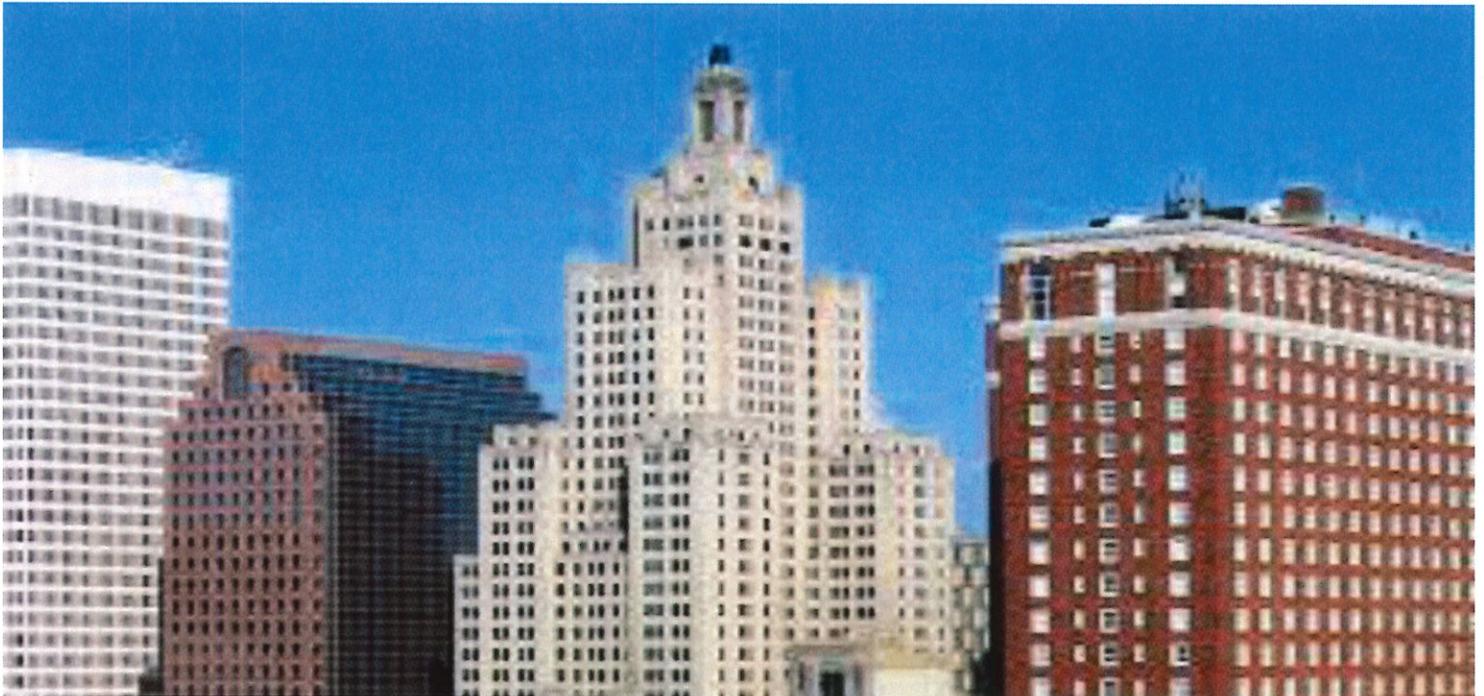
DECADE OF CHALLENGES

- Once a thriving banking center with thousands of employees, 111 Westminster has been vacant for over 10 years
- The darkness and empty state of this 26-story tower is a lurking reminder of economic inactivity and lost opportunity
- Certain characteristics of this 100-year-old office building made re-tenanting extremely challenging
- Office vacancy rate is 17.1% and Providence is entering a hyper supply cycle, characteristic of increasing vacancy rates, low or negative absorption, low to medium rental rate growth, and moderate employment growth



CRITICAL REDEVELOPMENT for the CITY of PROVIDENCE

- **Redevelopment of Superman Building will be an adaptive reuse of this existing +/-395,000 sq ft, 26-story vacant office tower into a state-of-the-art 285-unit residential apartment building with significant amenities and retail space**
 - **20% affordable housing will result in approximately 57 total units: 14 apartment units at 80% of AMI, 14 apartment units at 100% of AMI, and 29 apartment units at 120% of AMI**
 - **This project will add much needed supply and quality housing to the City of Providence and will reduce cost of housing options for Rhode Islanders**
-
- **The present value of the building is \$10.0 million, and the tax assessor projects post construction value at \$54.2 million**
 - **The total amount of taxes being abated over a 30-year period is estimated to be \$29.4 million which equates to an unweighted average of \$979,000 per year**
 - **The present value of taxes being abated over a 30-year period using a 5.0% discount rate is estimated to be \$14.6 million, which equates to an unweighted average of \$487,000 per year**
 - **Owner is contributing \$31.1 million in total equity with an obligation to fund up to an additional \$11.0 million for construction cost overage**
 - **Owner is responsible for payment of a \$115.7 million construction loan which will pay for completion of the project**
 - **There total project cost is expected to be approximately \$223,000,000**



CONCEPTUAL DESIGN

- The gross square footage of the existing structure is 395,680 SF
- Projected space allocation of:
 - Residential – Affordable Housing = 13.7%
 - Residential – Market Rate Housing = 54.7%
 - Residential – Amenity Space = 18.1%
 - Retail Space = 6.8%
 - Grand Banking Hall Space = 6.6%
- Projected square footage of:
 - Residential – Affordable Housing = 54,151 Gross SF
 - Residential – Market Rate Housing = 216,605 Gross SF
 - Residential – Amenity Space = 71,749 Gross SF
 - Retail Space = 26,938 Gross SF
 - Grand Banking Hall Space = 26,237 Gross SF
- Affordable unit rents are expected to range from: \$1,384 - \$2,076 and will adjust with AMI
- Market rate unit rents are expected to range from:
 - \$2,071 to \$2,289 for studios
 - \$2,616 to \$3,052 for one bedrooms
 - \$3,706 to \$4,142 for two bedrooms
 - \$4,796 to \$5,287 for three bedrooms
- Residential unit net rentable square footages are expected to range from:
 - 421 SF to 653 SF for studios
 - 451 SF to 946 SF for one bedrooms
 - 802 SF to 1,000 SF for two bedrooms
 - 1,198 SF to 1,408 SF for three bedrooms





ECONOMIC IMPACTS

- The project’s direct impact is expected to produce 1,594 jobs in Rhode Island and the indirect impact is expected to produce 239 jobs in Rhode Island resulting in a total of 1,833 jobs
- During construction, the project is expected to generate \$112.4 million in total labor income, \$159.7 million in total value added, and \$335.9 million in total output within Providence and Providence County. For every \$1.00 in construction investment, another \$1.62 is generated in output within the city and county
- In the first year of project operation, 170 permanent full- and part-time jobs are projected to be created, which will generate \$9.9 million in total labor income, \$14.6 million in total value added, and \$24.1 million in total output within the county
- In the first 5 years of operation, the project is expected to generate \$48.6 million in total labor income, \$71.5 million in total value added, and \$117.9 million in total output within the city and county
- **Estimated personal income, sales, and business tax revenues directly and indirectly generated by the project over the construction period and 30 years of operation are expected to total \$28.1 million**
- Considering 111 Westminster Street has been vacant since Bank of America moved their offices out in 2013, the adaptive reuse of this building as affordable and market rate housing will have significant positive economic impacts

CITY, STATE, & FEDERAL FUNDING SOURCES

- Rebuild Rhode Island Tax Credits = \$15.0 million
- First Wave Closing Fund = \$5.7 million
- Federal Historic Tax Credits (FHTC) = \$22.0 million
- New Market Tax Credits (NMTC) = \$2.1 million
- Rhode Island Housing – Workforce Housing Funds (WHIC) Funds = \$4.5 million
- Rhode Island Housing – Acquisition & Revitalization Program (ARP) Funds = \$1.0 million
- Providence Housing Trust Fund (PHTF) loan = \$10.0 million
- City of Providence = \$5.0 million
- City of Providence – 30 Year Tax Stabilization Agreement

DEVELOPER & PRIVATE FUNDING SOURCES

- Rhode Island Foundation = \$15.0 million Bridge Loan
- Developer’s Initial Equity = \$31.1 million
- Developer’s Additional Equity = up to \$11.0 million (if needed)
- Developer’s Construction Loan = \$115.7 million





MBE/WBE PARTICIPATION

- General contractor will utilize best efforts to achieve 20% MBE/WBE participation in the project which carries estimated contract value of approximately \$44.6 million

TIMELINE

- Construction is expected to take 22 months from issuance of full permits to securing certificate of occupancy

FINANCING

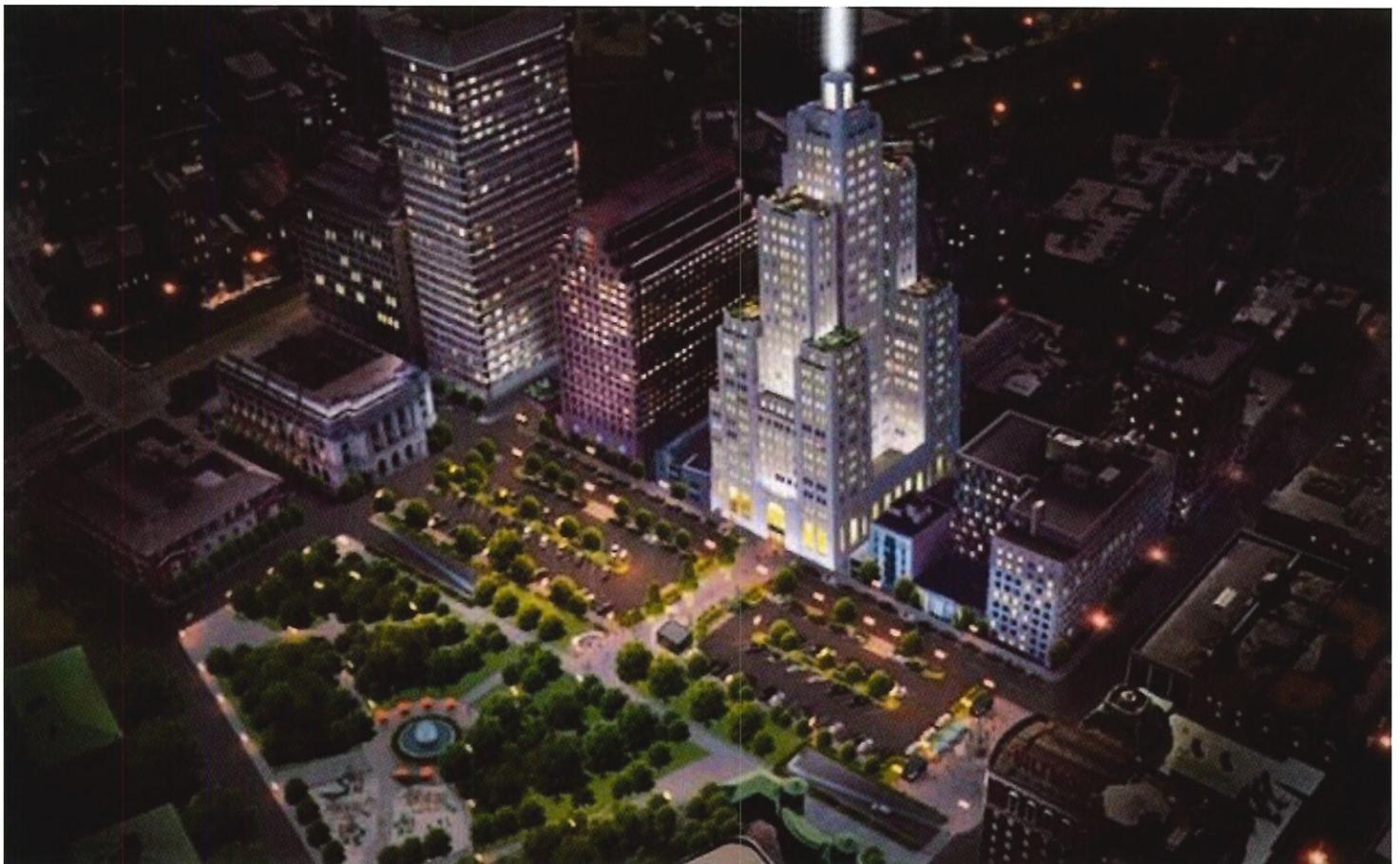
- Due to the ongoing procurement of funding source term sheets as well as drafting of the state's incentive agreement, full financing is not in-place yet. However, discussions are ongoing with several construction lenders to procure loan term sheets and to-date, these conversations have been encouraging. Ownership is on track to securing full financing.

PERMITTING

- Permits (building and others) are expected to be 2.0% of total project costs

PUBLIC BENEFITS

- **Historic preservation and re-use of a prominent 26-story tower built in 1928**
- **Revitalizing THE centerpiece building of downtown Providence**
- **Elevate overall investment demand in the City of Providence and State of Rhode Island**
- **Activating 111 Westminster Street will spark a new identity for Kennedy Plaza**
- **Upon completion, this project will be a neighborhood catalyst that encourages activated street-level retail**
- **Provide new housing options for city and state companies looking to grow and attract talent**
- **Amenity-rich city living for professionals striving to live proximate to their place of employment**
- **Redeveloping this asset will quickly bump values of adjacent buildings by an estimated 5% - 10%**
- **Provide a destination to live, work, and play for Rhode Islanders of all socio-economic categories**



Mastroianni, Tina

From: Greg <jwapartments@aol.com>
Sent: Wednesday, October 12, 2022 12:07 PM
To: Clerk, City
Subject: Superman TSA

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear city clerk,

I oppose the 30 year TSA. With providence paying the 5th highest commercial rate in the country. My 6 unit apartment building is paying \$35.40 per a thousand and is going to help subsidize the Superman building for 30 years! Lower the commercial rate, so special deals don't have to be made for every single development in the city. Sky high taxes do help the high rent situation so many people claim to care so much about.

Thank you,

Greg Weiss
220 waterman st
Providence RI

State Representative-Elect Enrique Sanchez

To whom it may concern

Written Testimony

10-13-22

I am writing to you today expressing my complete opposition to the request of a 30-year tax break for the superman building. It is unacceptable that we grant public subsidies for a private developer that has the potential to bankrupt our city. This Tax stabilization agreement has the potential to increase property taxes for our working class communities. I ask that we push for at least 33% of those units to be classified as low-income affordable. This tax break would grant High Rock to push for more market rate units than affordable units and these affordable units would not even be affordable for working people earning less than 50K a year.

Best,

State Rep Elect Enrique Sanchez

Mastroianni, Tina

From: Tenant Network RI <tenantnetworkri@gmail.com>
Sent: Thursday, October 13, 2022 4:36 AM
To: Clerk, City
Subject: TESTIMONY: Superman Building TSA

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

On behalf of working class tenants through out our city we urge the city to not complete the tax treaty and give \$155 million to an out of state developer. We urge the city to develop put the property under eminent domain and convert it to low to middle income housing along the lines of the proposals of Senator Kallman's Create Homes Act.

-Amy Lunchar,
Tenant Network RI

To the members of the Finance Committee,

It is no secret that the City of Providence is in a precarious position fiscally. There is already a billion dollar hole in our pension system. The cost of living has gone up tremendously. Homelessness has increased 50% in the past four year. At a Finance Committee hearing that took place on February 1, it was predicted that there will be 15,000 evictions in 2022 alone. It is unconscionable that we would consider giving out an exorbitant tax break to High Rock.

It is important to point out that this TSA will deplete the city of hundreds of millions of dollars. This TSA is a more than a 100% exemption on a \$220 million dollar development for 20 years and ramps up over the next 10 years. Which means, by conservative estimates, that we are effectively giving away \$155.8 million to the developer when our city is in shambles. To bill this as a \$29 million exemption is disingenuous and purposely misleads the people of Providence. As property tax makes up the bulk of the city's revenue, we cannot afford to give this away.

This development will have devastating consequences for Providence. We face a massive affordable housing shortage. Almost 50% of renters in Providence are rent burdened, meaning that they spend 30% or more of their paycheck on rent. Rents have risen over 20% in the past year. This is in part due to deals like this one. Our city is subsidizing housing that the average person cannot afford. When we build more luxury housing, we are in effect displacing lower income renters and driving up the cost of living. The average market rate apartment in Providence costs more than \$1,200 a month, and the average person is making below \$40,000 a year, and yet, the city is planning to use resources meant for affordable housing to build units that the average person in the city cannot afford. The math doesn't add up.

Some will claim that this deal adds to the affordable housing stock in Providence, however, the number of affordable units allocated in this deal are paltry given the circumstances in the city. This is further compounded by the fact that many of "affordable units" are for people making 120% Area Median Income. Those are not the people who need resources. It is unjustifiable that we are using the affordable housing bond to provide housing to people making over \$65,000 a year when the average family in Providence is making significantly less than that. The TSA needs to contain at least 30% affordable housing (housing for people making less than 80% AMI) or it should not be considered.

By passing this TSA, the Finance Committee and the City Council are turning their backs to the people of Providence. We need to make real investments in truly affordable housing. The city needs to be getting more for the amount of money that they are giving away. We cannot simultaneously bankrupt our city, drive up the cost of housing. In passing this TSA, the members of the committee and the City Council are telling their constituents that they hold the priorities of the developers over those of their own constituents.

Jacqueline Goldman
9 Samoset Avenue, Providence | 401-388-0961

401-388-0961

Mastroianni, Tina

From: Arthur Flanders <a.c.flanders82@gmail.com>
Sent: Thursday, October 13, 2022 2:41 PM
To: Clerk, City
Subject: Superman Building TSA

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

City Council Members,

I urge all members who would support a TSA for the Industrial National Bank building to reject the proposal. Handing Rhode Island taxpayer money over to an out of state developer would only further damage the state of RI and especially the city of Providence. If we are handing tax relief to people those people should at a minimum be RI residents and I would argue RI residents who actually need the relief.

One hundred and fifty million dollars is a lot of funding for public schools, RIPTA, PVD parks, infrastructure and more. I would trust everyone on the council to understand that if you can afford to buy and develop the "Superman" building you can afford to do it without extorting the people of Providence. The only purpose of that agreement is to funnel wealth to the top quickly.

We all know that the "affordable" housing they offer will be every bit affordable. It would be truly villainous to approve the robbery of the poor through needless tax breaks.

Finally it should be noted that if you're willing to sell out your neighbors they should take note and remove you from office as soon as they can. And I will do everything I can to help them.

Arthur Flanders
Ward 15

Mastroianni, Tina

From: Kit Munday <kitmunday@gmail.com>
Sent: Thursday, October 13, 2022 2:45 PM
To: Clerk, City
Subject: Superman Tax Stabilization Agreement

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Sir,

I am writing to you to express my opinions with respect to the above mentioned Superman Tax Agreement. As one who bears no ill will against developers, I must protest a taxpayer funded subsidy awarded to a For Profit venture with little to no public benefit. We live in times of unprecedented housing unaffordability and shortage. A tax subsidy for the redevelopment of housing stock must come with a commitment that at least 33% of the space is designated low income affordable housing. As someone who studied this business at Columbia University I can assure you the developer will still make a good return on their capital and we can start to address the needs of all our citizens.

Best Regards
Kit Munday
4 Bedlow Ave
Newport RI 02840

Mastroianni, Tina

From: Andrew Poyant <andrewpoyant@gmail.com>
Sent: Thursday, October 13, 2022 2:50 PM
To: Clerk, City
Subject: Testimony in opposition of TSA for High Rock

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Dear Members of the Finance Committee,

Providence is currently facing many crises, an underfunded pension, schools that are falling apart and an underfunded public school system, and a housing crisis. The city's pension system is currently \$1 Billion underfunded. The cost of living in Providence has significantly increased, while median income is not keeping up. This tax stabilization agreement (TSA) is a more than a 100% exemption on a \$220 million dollar development for 20 years and increases over the next 10 years. By conservative estimates we are giving away \$155.8 million to the developer when our city is in shambles. To bill this as a \$29 million exemption is disingenuous and purposely misleads the people of Providence.

With homelessness significantly increasing in Providence, I oppose any TSA that does not require 33% of the units be permanently designated low-income affordable (affordable for people making 30% area median income (AMI) or less). This development and TSA as proposed will do nothing to help the almost 50% of renters in Providence who are currently rent burdened, meaning they spend 30% or more of their income on rent.

To claim that this development adds affordable units to the city is also misleading. Affordable to who? It isn't affordable to the majority of Providence residents. Calling the units that are marked for people making 120% AMI (\$65,000 a year) or less does not help the majority of Providence residents who are struggling to pay their housing costs, or the hundreds who are currently unhoused.

If the Finance Committee and ultimately Providence City Council pass this TSA, they are showing that they prioritize the needs of wealthy developers over the needs of Providence, further jeopardizing our ability to address the housing crisis, fund our public schools, or fund our pension system. I strongly urge you to vote against this TSA unless it specifically includes permanently designating 33% of the units as low-income at 30% AMI or less.

Andrew Poyant
11 Trinidad St
Providence, RI 02908

Attn; Providence city council members

We are DARE. Direct Action for Rights and Equality.

As housing advocates, we do not agree with, nor support the city and state's support for luxury housing development, which we believe is an insult during a statewide crisis of rental inflation without any tenant protections, a low-income housing shortage, and homelessness with folks being dehumanized, and reduced to living outside without shelter. We are against the proposed plan for the Superman Building in downtown Kennedy Plaza. Beautifying downtown for tourists and ignoring the immediate issues plaguing low income communities has to stop!. We the people, shop downtown. We pay taxes. We do not support High Rock, an out of state developer, and their ask for a 30 year tax break for luxury apartments, causing further displacement to an already displaced community. This is gentrification.

We also don't agree with the use of housing trust fund monies to fund luxury apartments that we the people advocated for the past four years. You can use our money, and we can't afford to live there? You are taking money that will end this housing crisis.

Give us our money back! These are city and state funds that we the people advocated for since the onset of the covid-19 pandemic, funds allocated to provide shelter for the homeless until more sustainable housing is available.

If the tax break is approved, the community ask is that the city requires:

30% of the units in the new b building to be permanently affordable to low income Providence households (with incomes at 30% of the Area Median Income-\$20,300/year for an individual and \$29, 000//year for a 4 person household)

Over 14,000 Providence renter households are cost-burdened, representing roughly 30% of the city's households.

Thank you for your time.

Gracefully,

Terri Wright
twright@daretowin.org

Mastroianni, Tina

From: Peter Borgemeister <peterborg@verizon.net>
Sent: Thursday, October 13, 2022 1:53 PM
To: Clerk, City
Subject: "Superman Building"

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

I am strongly in favor of a Tax Stabilization Agreement ('TSA') for the Superman Building.

This iconic, and irreplaceable, building has been vacant for nine years and during that time has suffered significant deterioration. Finding a new, viable use now will allow restoration work to proceed while the exterior is still salvageable and avoid the unthinkable option of demolition.

Respectfully,

Peter Borgemeister

Architect

161 Cypress Street

Providence, RI 02906

peterborg@verizon.net

Office: 401-331-0163; Cellular: 401-447-5518

THE PROVIDENCE FOUNDATION

October 13, 2022

Councilwoman Jo-Ann Ryan
Chairwoman, Committee on Finance
Providence City Council
25 Dorrance Street
Providence, RI 02903

re: Support for 111 Westminster Street TSA

Dear Chairwoman Ryan and Honorable Members of the Committee,

On behalf of the Providence Foundation, our Board of Directors, and our more than 120-member organizations, I write to you today to strongly encourage you to support the proposed tax stabilization agreement (TSA) for 111 Westminster Street.

As you know, bringing life and vitality and positive economic contribution back to this iconic and historic building has been a high priority for the Foundation for nearly a decade. We support the redevelopment of 111 Westminster Street as a residential development. The prospect of five hundred or more residents living in that now vacant tower represents enormous opportunity for the City of Providence, the State of Rhode Island, and all of us who live and work here. The proposal for a new residential Superman Building will serve as a national beacon for Providence's past, present, and very bright future.

As an organization that has helped to lead on some of the most difficult and challenging projects in Providence's last half century - relocating train tracks, moving rivers, revitalizing Union Station, moving an interstate highway, redeveloping South Street Landing, building the Michael van Leesten Pedestrian Bridge - The Providence Foundation and its members have deep appreciation for the challenges that lay between a vision and a groundbreaking. Those challenges are particularly acute in the case of a project like 111 Westminster Street, the scale and complexity of which require a public investment in order to be successful. The necessity of public investment is not, in our view, a sign of failure but rather one of opportunity.

The great projects that have characterized Providence's renaissance and which are widely celebrated and beloved today have all involved substantial public investment. At one end of that spectrum are the major public works projects - relocated rail lines, rivers, highways - that can only be accomplished at the level of funding and oversight provided by the federal government. At the other end are the myriad of projects that have been made possible by a wide range of public financing tools - historic tax credits, tax increment financing, tax stabilization agreements, and more - which are tools used by any and all major cities that care about their future. Without these investments in the past, Providence would not be the city it is today.

The benefit to all of Providence and Rhode Island of bringing 111 Westminster Street back to life goes beyond the symbolic value of lights shining in the iconic tower, although that value is certainly real. The true value of this project will be in adding the equivalent of a new neighborhood of residents who will contribute to the vitality - and the safety - of downtown Providence in innumerable ways. Absent the proposed TSA, the tower will remain vacant and dark and the benefit of those residents creating a safe environment, shopping, eating at restaurants, paying City and State taxes, and otherwise contributing to the economy, will go unrealized.

The Providence Foundation also has a long-standing commitment to adaptive re-use and historic preservation. The character of our city is shaped by its architecture, and Providence has benefitted from a legacy of preservation that many American cities have not. 111 Westminster Street stands apart from all of the other high rises in the downtown with its granite base, limestone sheath, stepped back design, and grand hall. Instantly recognizable, the tower speaks to the city's past and its redevelopment hearkens to our future.

Moreover, contrary to the claims of opponents, this proposed TSA provides major financial benefits to the City of Providence. The TSA before you guarantees that the City will never receive less in taxes from this property than it does today, ensures a 50% increase in tax revenue within ten years, and an increase of more than 330% by the end of the deal. The City needs this type of tax base expansion to weather the many financial challenges it faces. In addition to this significant growth in our tax base, this TSA includes a number of community benefits, including requirements that the developer hire locally, buy locally, pay prevailing wages, utilize minority and women-owned businesses, and make considerable contributions supporting both our public parks and the construction of new Affordable Housing in Providence.

We are rapidly approaching the centennial of 111 Westminster Street, and given the trials and tribulations surrounding this building in the near decade since it became vacant, if the proposal before you does not move forward, it is not hard to imagine our beloved Superman Building standing empty until it collapses. If that were to occur, it would represent an enormous failure of leadership on the part of all us who care about our city and state. Today, we have an opportunity to avoid such a failure and to make investments that will chart the course of this community for decades to come.

It is the strong and unanimous view of The Providence Foundation that the proposed redevelopment of 111 Westminster Street will lead to a thriving, vibrant and economically contributing residential tower in the heart of our historic downtown. We strongly encourage you and the entire City Council to vote in favor the proposed TSA and sincerely hope that you will join us in supporting this incredible opportunity to revitalize a Rhode Island icon.

Sincerely,



Christopher Marsella
Chair, Board of Directors



Cliff Wood
Executive Director

Mastroianni, Tina

From: Warren D Jagger <warrenjagger@cox.net>
Sent: Thursday, October 13, 2022 2:29 PM
To: Clerk, City
Subject: Finance Committee comment - Industrial Trust Building TSA

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

We are strongly in support of a tax stabilization agreement between the City and the ownership group for the redevelopment of the Industrial Trust Building. Without question, this is the most important building in Providence, and its vacancy is destabilizing and detrimental to the city. With the need for office space declining among businesses, conversion of the building to residential use is the only and best option for its preservation. Over the term of the TSA, the reduction in tax revenue will be a minor loss to the city, but the residents and vitality it will bring to downtown will be a tremendous benefit to urban life and our economy.

Warren and Janet Jagger
39 Oriole Avenue | Providence, RI 02906
401-474-3552
warrenjagger@cox.net



Councilwoman Jo-Ann Ryan
Providence Finance Committee
Providence City Hall
25 Dorrance Street
Providence RI, 02903

October 13, 2022

Dear Madam Chair,

I am writing in support of the TSA application for 111 Westminster St.

I have been redeveloping historic buildings in Downtown Providence for 25 years. All of the ten historic buildings that Cornish has developed over that period have required a tax stabilization agreement. It is one leg of the stool. The other legs are the Federal Historic Tax Credit along with support from the State of R.I. in the form of the State Historic Tax Credit or the Rebuild Rhode Island Tax Credit. Without these 3 legs in place a lender will not commit to granting the needed construction loan, which along with the owner/developer's equity, will be necessary to complete the capital stack required to allow for the restoration and conversion of this important project.

The granting of the TSA is absolutely vital to the restoration of Rhode Island's tallest building being accomplished. The benefit to the City is considerable as will be detailed in the project's economic impact analysis. The intangible benefit will be to our confidence in ourselves as a community that is moving forward economically, that is not letting its largest and most elegant building remain dark and deteriorating. Rather, now is the time that we can transform this building into much needed housing which will add to the lifeblood of our City.

I strongly urge your committee to positively respond to the applicant's proposal and pass this on to the full Council for their approval as soon as possible.

Thank you for your consideration and support of this important project

Sincerely,

A handwritten signature in black ink that reads 'Arnold B. Chace Jr.' The signature is written in a cursive, flowing style.

Arnold B. Chace Jr

46 Aborn Street
Providence, RI 02903
PH 401.421.0254
FX 401.421.6866

WWW.CORNISHLP.COM



CITY OF PROVIDENCE

Jorge O. Elorza, Mayor

October 17, 2022

The Honorable Jo-Ann Ryan
Chairwoman, Providence City Council Committee on Finance
Providence City Hall
25 Dorrance St.
Providence, RI 02903

Honorable Chairwoman Ryan and Members of the Committee,

I am writing in support of the Tax Stabilization Agreement for High Rock Westminster Street, LLC located on Assessor's Plat 020, Lot 14, (111 Westminster Street), otherwise known as the "Superman Building."

Throughout my tenure as Mayor, the development of properties in our City that meet the housing needs of our community, support the local economy, and create jobs has been a top priority. Indeed, since I took office, we have made significant strides in this area and have seen well over two billion dollars in development over my eight years in office. We have seen strong growth throughout the city, yet despite our efforts, it has been exceedingly difficult to find a development plan for the Superman Building.

Redeveloping the Superman Building is a key component of the activation of Greater Kennedy Plaza as the civic heart of our city. As Rhode Island's signature skyscraper, bringing the building back to life has been a strong priority of mine. My team and I have continuously engaged with the State and with other interested parties about the best redevelopment strategies for the property. Beginning in the second half of 2021, those conversations accelerated into the agreement that was announced in April of this year. The negotiations were extremely complicated, but we were able to make improvements to the original agreement so that the final terms were more advantageous to the City.

The Tax Stabilization Agreement under consideration today is a critical component of the financing for this project. The proposed \$220 million project will convert the long-vacant, yet iconic, tower into 285 residential apartments, 20% of which will be affordable to low- and moderate-income Rhode Islanders, 8,000 square feet of commercial office space, and a mix of retail, event, and community uses in the 26,000-square foot banking hall.

This is an incredibly important project for our city and state and I strongly encourage the members of this committee to support this TSA and to continue our collective work to ensure a strong, vibrant neighborhood in Greater Kennedy Plaza.

Sincerely,

Jorge O. Elorza
Mayor of Providence

OFFICE OF THE MAYOR

Providence City Hall | 25 Dorrance Street Providence, Rhode Island 02903

401 421 2489 ph | 401 455 8823 fax

www.providenceri.com

Mastroianni, Tina

From: Ellen Zahniser <zahniser.ellen@gmail.com>
Sent: Wednesday, October 12, 2022 11:05 AM
To: Clerk, City
Subject: Testimony for hearing on Superman building

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Hi,

I am a long-time resident of Olneyville and am emailing to submit my testimony for the public hearing on the Superman building tax stabilization agreement.

I am thrilled that the city is allowing High Rock to turn the Superman building into residential units - however, I would ask that the city offer NO tax breaks to High Rock until *at least 1/3 of the units are designated permanent low-income, affordable housing.*

This is an incredible opportunity to create a solution to the housing crisis in Providence! We absolutely must not give tax breaks to this corporation if they are simply going to create "median-income" housing, which is completely unaffordable for the majority of the people who are affected by the housing crisis.

Thank you for taking my thoughts into account!

Best,
Ellen Zahniser

--

We are on native land !

Mastroianni, Tina

From: NANCY GREEN <ninjanurse9@cox.net>
Sent: Thursday, October 13, 2022 10:24 AM
To: Clerk, City
Subject: Finance Committee Testimony 10/17: Please approve saving the Industrial Trust (Superman) building

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To the Providence City Council Finance Committee,

Thank you for your continued efforts to balance the challenges and opportunities of our community. I urge you to make the best arrangement possible to save and restore the center of our skyline- the historic building that maintains the unique beauty of our city.

The future is not in more autos or more office space. Using 111 Westminster for residence and public space will help to anchor Downtown and pay off over time. I remember when PPAC could have been torn down, and more recently, when Burnside Park was a neglected weedy lot. I was Downtown this week and happy to see people out at night, even people with children. This was not Providence in the 1980's, before we invested in renovation along with new buildings.

It is a commitment, but tearing down a central building would not be cheap and what would replace it would never match the beauty and historic value.

Our city has many needs, especially affordable housing. I am a Providence taxpayer and want to see our finances managed wisely. I don't believe that sacrificing history is a good bargain. I hope that this committee will find a way to keep the revival of Downtown going.

Thank you for your consideration,

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October 13, 2022

Providence City Council
25 Dorrance St.
Providence, RI 02903
Attn: City Council Finance Committee

RE: Written Testimony for Public Hearing on Monday, October 17, 2022 – proposed TSAs for the Superman Building and Hotel Hive

Dear Members of the Finance Committee:

I write you this testimony with mixed perspectives on the proposed tax stabilization agreement (TSA) for our city's, iconic Superman Building. Like many supporters of this TSA, I envision this treasured landmark being revitalized in a way that preserves the structure, brings economic opportunity to our City's financial district that will benefit downtown and our entire city, and can serve other needs and hopes of Providence including housing, business, tourism, and the list goes on.

At the same time, I'm deeply disturbed by the way the proposed TSA outlines how these goals are to be achieved. While on the surface it appears to be a benefit to most of our residents, if not us all, the path to achieving that goals seems riddled with options that will further increase our city's housing affordability, perpetuate displacement, and exclude residents who members of historically excluded groups from full participation in the opportunities poised to be available if this proposed TSA were to be approved.

In take a holistic approach in assessing the proposed TSA, several questions and concerns came to mind:

- The restrictive covenant for 20% of the new residential units to be the affordable housing aspect of the project only target persons whose average median incomes (AMIs) for the Providence Metro region to bet between 80% and 120%. Some may see this as a mockery of the concept of "affordable" housing, and at the same time it negates the argument being made that we need housing for all income levels. If that's the case, why isn't this project being reflected as providing housing for persons of all income levels? How about those whose incomes are less than 30% AMI? Between 30% and 50% AMI? 50% to 60% AMI? 60% to 80%? And why is the percentage at 20% when 30% to 35% seems more ideal for that restrictive covenant?
- Another opportunity is to bring new residents to the area and enhance the tax base. Yet this project will only involve renting, not home ownership in which property taxes are paid to the City. And with this TSA essentially forgiving portions of tax revenue that the property owner would have to pay to the City without the TSA, how would this project enhance our tax base

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given the other types of taxes those new residents would be paying would go directly to the state?

- It is noted that the City will assist the property owner with meeting participatory goals for Minority Business Enterprises (MBEs) and Women Business Enterprises (WBEs) along with entering into a First Source Agreement to ensure hiring of local residents for this project. Yet many MBEs continue to raise their ongoing challenges of having full access to such opportunities, and for many the assessment is that First Source ain't sourcing. More explicit and defined deliverables for these aspects of the proposed TSA must be listed in outlining the City's role in these processes.
- As with MBE/WBE and First Source, the opportunities for Apprenticeships with this project must be fully defined to ensure full and fair access.
- The property owner will provide annual reports to the City Council on its progress with the project: will those reports be public? Will the City Council have quarterly or semi-annual check-ins on this project so that successes benefiting our city are recognized and celebrate while at the same time challenges with ensuring full access and participation in the opportunities of this project are identified, address, and resolved early on in the project?
- As the property owner would make contributions to the potential new "Parks and Recreation" Fund for the City, is it possible that the contributions could be split (or increased and split) between this potential new fund and the existing Housing Trust fund of the City, the trust fund which is providing financing to this project? It only seems right and just that the very funding source should receive a fair and full return on investment in order to support other housing goals of our city.

Historically and initial thought would have some say that the questions and concerns that I raised can and will be address as we move forward after the decision of this TSA, which usually means approval. However, I urge this committee to demand these questions and concerns are answered and addressed first before any decision is made to ensure our city shares in the benefits of this project given the involvement of taxpayer resources, for which we all pay into. I have the same concerns and similar questions for the proposed TSA for the Hotel Hive project, so I ask that the committee also apply the same focus before deciding on that proposed TSA.

Thank you for your time and consideration, along with your service to our city!

Best regards,

Dwayne Keys
Long-term Ward 11 Resident in the Southside of Providence

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