

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1995-24

No. 672 **AN ORDINANCE** ESTABLISHING A TAX STABILIZATION
PLAN FOR LAURELMEAD NURSING CENTER, LLC, AS
AMENDED

Approved November 28, 1995

Be it ordained by the City of Providence:

WHEREAS, Section 21-169 of the Ordinances of the City of Providence grants authority to the City Council, pursuant to Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt property used for industrial or commercial purposes from the payment of property tax if the granting of the exemption meets certain conditions set forth in said Section of the Ordinance; and

WHEREAS, Laurelmead Nursing Center, LLC has made application under, and has satisfied each condition of the above-mentioned Ordinance; and

WHEREAS, Laurelmead Nursing Center, LLC plans to locate and construct in the City, a new commercial concern, to wit: a new health care facility consisting of 89 new assisted living apartments, a 60-bed nursing center and a physical rehabilitation center located at 355 Blackstone Boulevard, Providence, Rhode Island 02906, on a portion of Assessor's Plat 38, Lot 79 ("Project"); and

WHEREAS, the Project will cause an increase in the tax base of the City and will increase employment opportunity in the City; and

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

Be It Ordained by the City of Providence:

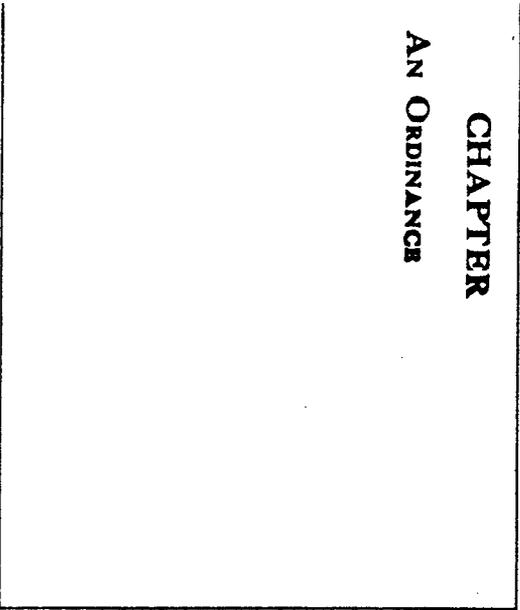
Section 1. That the findings set forth in the preceding WHEREAS Clauses are hereby made and confirmed.

Section 2. As long as Laurelmead Nursing Center, L.L.C. owns or operates the facility it will continue to pay taxes on the facility. Laurelmead Nursing Center, L.L.C. also agrees not to transfer the property to a tax-exempt entity or to allow any transfer by

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AN ORDINANCE



any subsequent transferee to a tax-exempt entity during the term of the tax treaty. Laurelmead Nursing Center, L.L.C. agrees to ensure that any transferee or successor will be an entity required to make payments under the tax treaty during the term of the tax treaty. Laurelmead Nursing Center, L.L.C. is also required as a condition precedent to this tax treaty to record notice of the requirement that the property covered by this Ordinance be transferred only to a tax-paying entity, as set forth herein, in the Land Evidence Records or the City of Providence, during the term of the tax treaty. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, whether by Laurelmead Nursing Center, L.L.C. or any subsequent transferee of such property, during the term of the tax treaty, Laurelmead Nursing Center, L.L.C. will require any such transferee to make said payments or Laurelmead Nursing Center, L.L.C. will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein or in the tax treaty used in connection herewith, the provisions of this Section 2 shall continue to be given full force and effect during the term of the tax treaty until such time as the same shall be amended or terminated by majority vote of the City Council of Providence.

Section 3. It shall be the goal of Laurelmead Nursing Center, L.L.C. to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to the MBE act). It shall be Laurelmead Nursing Center, L.L.C.'s further goal to award to woman business enterprises (WBE) no less than 10% of the dollar value of the construction costs for the project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). It shall be a further goal of Laurelmead Nursing Center, L.L.C. to achieve a minimum level of 10% for minority and 10% for female employment.

Section 4. In making employment decisions, Laurelmead Nursing Center, L.L.C. shall give preferential consideration to qualified employees/applicants who reside in Providence.

Section 5. The schedule listed below is based upon information provided to the Tax Assessor by Laurelmead Nursing Center L.L.C, including, but not limited to, estimated construction costs. In the event any of this information is inaccurate or proves to be erroneous, this treaty shall be modified to reflect the accurate information.

Section 6. The Laurelmead Nursing Center, L.L.C. has agreed to make two payments of thirty-six thousand one hundred and fifty dollars and fifty-six cents (\$36,150.56) to the City of Providence. The first payment shall be made prior to June 30, 1996, the second payment shall be made prior to June 30, 1997, and the third payment shall be made prior to June 30, 1998.

Section 7. That the real and personal property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real and personal property tax rates in effect for the City's 1996 fiscal year.

Section 8. That the City, in accordance with Section 44-3-9 of the Rhode Island General Laws and Section 21-169 of the Code of Ordinances for the City of Providence, is hereby authorized to grant an exemption from the assessed valuation for tax purposes as of December 31, 1997 up to and including December 31, 2006 to Laurelmead Nursing Center, LLC located at 355 Blackstone Boulevard, Providence, Rhode Island 02906, on a portion of Assessor's Plat 38, Lot 79, as provided in the above-mentioned Ordinance, in accordance with the following schedule:

Percentage Abated	Assessments Abated***	Taxes Paid	Taxes Abated
1st year @ 90% of "C" (12/31/98)**	\$6,113,610	19,135.60	172,220.39
2nd year @ 80% of "C" (12/31/99)	\$5,434,320	38,271.20	153,084.79
3rd year @ 70% of "C" (12/31/2000)	\$4,755,030	57,406.80	133,949.20
4th year @ 60% of "C" (12/31/2001)	\$4,075,740	76,542.97	114,813.60
5th year @ 50% of "C" (12/31/2002)	\$3,396,450	95,678.00	95,678.00
6th year @ 40% of "C" (12/31/2003)	\$2,717,160	114,813.60	76,542.97
7th year @ 30% of "C" (12/31/2004)	\$2,037,870	133,949.20	57,406.80
8th year @ 20% of "C" (12/31/2005)	\$1,358,580	153,084.79	38,271.20
9th year @ 10% of "C" (12/31/2006)	\$ 679,290	172,220.39	19,135.60
10th year @ 0% of "C" (12/31/2007)	\$-----0-----	191,355.99	-----0-----
		1,052,457.96	\$861,101.97

SECTION 9. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL
 [NOV] 2 1995
 FIRST READING
 READ AND PASSED

Michael R. Clement CLERK

IN CITY
 COUNCIL

NOV 16 1995
 FIRST READING
 READ AND PASSED

Michael V. Fargnoli
 ACTING PRESIDENT
Michael R. Clement CLERK

APPROVED
 NOV 28 1995
James A. Cianci
 MAYOR

**PERSONAL PROPERTY
EXEMPTION BREAKDOWN**

Assessment date prior to stabilization December 31, 1997

Assessment as of said date

A. - 0 -

Assessment date for projected full value December 31, 1997

Projected assessment for final
value:

B. \$750,000

Amount eligible for stabilization
(B - A)

C. \$750,000

Percentage Abated	Assessment Abated ***
1st year @ 90% of "C" (12/31/98) **	\$ <u>675,000</u>
2nd year @ 80% of "C" (12/31/99)	\$ <u>600,000</u>
3rd year @ 70% of "C" (12/31/2000)	\$ <u>525,000</u>
4th year @ 60% of "C" (12/31/2001)	\$ <u>450,000</u>
5th year @ 50% of "C" (12/31/2002)	\$ <u>375,000</u>
6th year @ 40% of "C" (12/31/2003)	\$ <u>300,000</u>
7th year @ 30% of "C" (12/31/2004)	\$ <u>225,000</u>
8th year @ 20% of "C" (12/31/2005)	\$ <u>150,000</u>
9th year @ 10% of "C" (12/31/2006)	\$ <u>75,000</u>
10 year @ 0% of "C" (12/31/2007)	\$ <u>- 0 -</u>

**REVAL YEAR

***LIST AMOUNT TO BE EXEMPTED