

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2004-3

No. 3 AN ORDINANCE

ESTABLISHING AND GRANTING A TAX STABILIZATION PLAN FOR CAPITOL HILL PROPERTIES, LLC, WITH RESPECT TO ASSESSOR'S PLAT 19, LOT 102 OF THE CITY OF PROVIDENCE

Approved January 16, 2004

Be it ordained by the City of Providence:

WHEREAS, the City Council, pursuant to Section 44-3-9 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, 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 which will result in 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, pursuant to R.I. Gen. Laws Sec. 44-3-9, as amended, has the authority to exempt and/or stabilize said taxes for a term not to exceed twenty (20) years; and

WHEREAS, Capitol Hill Properties, LLC (defined below as the "Project Owner") has made application for tax stabilization under said Rhode Island General Laws and applicable ordinances of the City of Providence, as set forth in Exhibit A attached hereto and incorporated by reference, and has satisfied each condition of same; and

WHEREAS, there is underdeveloped land located at 18 Park Row West, more specifically described as Assessor's Plat 19, Lot 102, being Parcel 2 in The Capital Center Project, so-called; and

WHEREAS, the Project Owner has evidenced a willingness to construct:

- a multi-level four hundred and forty-two (442) car parking space structure ("Parking Garage");

No.

CHAPTER
AN ORDINANCE

IN CITY COUNCIL

FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clemente
ans

THE COMMITTEE ON

Finance
Recommends - Schedule P. Hrg
Ann M. Stebbins
11-4-03 CLERK
11-18-03 P. Hrg held

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance

Ann M. Stebbins
12-4-03 Clerk

Benjamin Hassett

New Ordinance
from J. Stebbins
12/4/03

- a twelve (12) story, one hundred and seventy-six (176) room hotel of approximately one hundred thousand (100,000) square feet of gross building area (“Hotel”);
- a twelve (12) story residential apartment building of approximately one hundred and ten thousand (110,000) square feet of gross building area containing fifty-five (55) apartment units (“Park Row West”);
- an eleven (11) story residential apartment building of approximately one hundred twenty-eight thousand (128,000) square feet of gross building area containing ninety-one (91) apartment units along with ten thousand one hundred seventy-three (10,173) square feet of retail space on the ground floor (“Park Side”);
- a thirteen and one-half (13 ½) story residential apartment building of approximately two hundred three thousand (203,000) square feet of gross building area containing one hundred thirty-four (134) apartment units along with ten thousand one hundred fifty-five (10,155) square feet of retail space on the ground floor (“River Tower”); and
- a five thousand eight hundred and thirty-six (5,836.00) square foot pavilion/restaurant (“Pavilion”)(collectively, Parking Garage, Park Row West, Park Side, River Tower and Pavilion, defined below as the “Project”); and

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

WHEREAS, the City Council has determined it is in the best interest of the residents of the City of Providence to grant such tax stabilization to induce the development of The Capital Center Project, 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.

- (c) "Project" means the Project Site (as hereinafter defined), the Real Property Improvements (as hereinafter defined), and Personal Property.
- (d) "Project Owner" means Capitol Hill Properties, LLC, which is either the (i) lessee or sublessee under a ground lease with Capital Properties, Inc., of the Project Site (as hereinafter defined), or (ii) which holds legal title to the Real Property Improvements (as hereinafter defined) or Personal Property.
- (e) "Project Site" means the property located at 18 Park Row West and more specifically described as Assessor's Plat 19, Lot 102, in the Land Evidence Records for the City of Providence, being Parcel 2 of The Capital Center Project.
- (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 Improvement" means all structure, buildings, renovations and improvements, including on appropriate proration of the land value, currently proposed to be located at the Project Site. Any material additional improvements, excluding customary repairs and renovations, shall require an amendment to this ordinance, except as provided herein.
- (h) "Stabilized Assessment" means:
- (1) 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, 2002, as shown on Exhibit B attached hereto and incorporated by reference.
 - (2) the Real Property Improvements shall be assessed as follows:
 - Parking Garage: \$4,420,000.00 as shown on Exhibit B hereof with each additional parking space over the contemplated four hundred forty-two (442) being assessed at a value of \$10,000.00.
 - Hotel: \$ 14,960,000.00 as shown on Exhibit B hereof with each additional hotel room over the contemplated one hundred seventy-six (176) being assessed at a value of \$85,000.00.
 - Park Row West (Apartments): \$7,425,000.00 as shown on Exhibit B hereof with each additional apartment over the contemplated fifty-five (55) being assessed at a value of \$135,000.00.
 - Park Side (Apartments): \$12,285,000.00 as shown on Exhibit B hereof with each additional apartment over the contemplated ninety-one (91) being assessed at a value of \$135,000.00.

- River Tower (Apartments): \$18,090,000.00 as shown on Exhibit B hereof with each additional apartment over the contemplated one hundred thirty-four (134) being assessed at a value of \$135,000.00.
 - Pavilion: \$495,768.00 as shown on Exhibit B hereof with each additional square foot over the contemplated five thousand eight hundred thirty-six (5,836) square feet being assessed at \$84.95 per square foot.
 - Personal Property: \$880,000.00 as estimated and illustratively shown on Exhibit B hereof with each dollar of Personal Property being assessed at fair market value.
- (i) “Stabilized Tax Payment” means, with respect to the Project Taxable Properties, the amounts listed in the schedule attached hereto as Exhibit B.
- (j) “Stabilized Tax Rate” shall mean \$38.82 per \$1,000.00 of assessed valuation for Real Property Improvements and \$49.68 per \$1,000.00 of assessed valuation for Personal Property.
- (k) “Termination Date” means June 30th of the year in which Stabilized Tax Payments based on the December 31, 2022 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 the Stabilized Assessment at the Stabilized Tax Rate in accordance with Exhibit B as attached for the period commencing with the December 31, 2003 assessment date through the December 31, 2022 assessment date.

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, as more particularly described on Exhibit B hereof, unless earlier terminated as provided herein.

Section 5. As long as Project Owner owns or operates the Project Site, it will continue to make the Stabilized Tax Payment(s) as set forth in Exhibit B during the term of this tax stabilization agreement. Project Owner, its successors and assigns, agrees that this Project Site will be subject to taxation, without regard to 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 or to allow any transfer by any subsequent transferee to any tax-exempt entity during the term of this agreement to

stabilize taxes. Project Owner is also 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 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, despite the prohibition against such transfer, whether by Capitol Hill Properties, LLC, or any subsequent transferee of such property, Capitol Hill Properties, LLC, 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 which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. In the event that Project Owner shall divide the Project Site or any portion thereof into residential and/or commercial condominiums, said residential and/or commercial condominiums shall no longer be covered under this ordinance and shall be subject to taxation without regard to any tax stabilization agreement (the remaining portion of the Project shall be prorated accordingly); except, however, the Project Owner is permitted to create condominiums with respect to the six (6) building pads as envisioned in the Project. Notwithstanding anything to the contrary herein, the provisions of this Section 5 shall continue to be given full force and effect until such time as the same shall be amended or terminated by majority vote of the City Council of the City of Providence.

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 schedule attached in Exhibit B to the City, 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.
- (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.

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 25% of the total dollar value of construction to Minority Business Enterprises ("MBEs") and Women Business Enterprises ("WBEs"). These are enterprises with at least 51% of business ownership by a minority (Black, Hispanic, American Indian, or of a group found to be economically or socially disadvantaged by the Small Business Administration) or a woman, as certified by state agency or by 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.

It is the intent of the parties that the participation of each element of business enterprise not fall below twelve and a half (12.5%) percent.

Section 9. Employment. 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 thirty (30) community hires 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. Support for Affordable Housing. (a) Project Owner and all successors and assigns shall make a \$784,000.00 contribution to the Providence Redevelopment Authority to support affordable housing and community services as follows:

- (i) \$100,000.00 to be contributed on or before September 30, 2004;
- and,
- (ii) \$36,000.00 to be contributed on each of June 30, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2105, 2106, 2017, 2018, 2019, 2020, 2021, 2022 and 2023.

The contributions made by Project Owner shall be directed to a housing trust for the development of affordable housing and/or community services with a preference for

affordable housing and community services in the Smith Hill section, so-called, of the City of Providence.

Section 11. Purpose. The City of Providence has entered into this tax treaty to provide residential, retail and commercial units in the City of Providence and to increase its tax base as a result of such construction. This treaty shall be in effect during its term as long as the property is utilized primarily for the Project 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.

Section 12. Basis of Calculation. The schedule listed in Exhibit B 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, 2004. Failure to begin construction by December 31, 2004 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.

Section 13. 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 treaty. Failure to make timely payments may render this treaty null and void.

Section 14. Reporting and Monitoring. Project Owner shall, not less than sixty (60) days after the end of each fiscal year of the Project Owner, submit to the Director, Department of Planning and Development of the City of Providence, a report that will provide evidence of compliance with Sections 8, 9 and 10 hereof on forms provided by said director for said purpose. The director may require additional information to demonstrate compliance.

Section 15. Penalties and Petition for Relief. In the event that Project Owner does not comply with any and/or all of the provisions of this ordinance, the Director of the Department of Planning and Development, City of Providence, 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, 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, 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 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
DEC 18 2003
FIRST READING
READ AND PASSED

Richard S. Clement

 CLERK

APPROVED


MAYOR
 1/16/04

IN CITY COUNCIL
JAN 8 2004
FINAL READING
READ AND PASSED

John F. Lombardi

 PRESIDENT
Gaire Bestor

 CLERK
Just Deputy

INSTRUCTION FOR FILING
APPLICATION FOR TAX STABILIZATION
FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTIES

PURPOSE: THE PURPOSE OF THE ORDINANCE IS TO GRANT A PROPERTY TAX EXEMPTION FOR PROPERTY USED FOR INDUSTRIAL PURPOSES IF THE GRANTING OF AN EXEMPTION WILL:

- * cause a commercial/industrial & residential concern to locate in the city;
- * cause a commercial/industrial & residential concern to replace, reconstruct, expand or remodel existing buildings and facilities and thereby increase the tax base in the city.
- * cause a commercial/industrial & residential concern to construct new buildings or facilities and thereby increase employment opportunities

ELIGIBILITY: PROVISIONS OF THIS ORDINANCE SHALL APPLY TO COMMERCIAL / INDUSTRIAL & RESIDENTIAL PROPERTY DEFINED TO MEAN BUILDINGS, STRUCTURES AND OTHER IMPROVEMENTS THERETO, THE PRIMARY PURPOSE AND USE OF WHICH IS THE MANUFACTURE OF GOODS AND MATERIALS, OFFICE USE, RETAIL USE, OR HOUSING.

Commercial/ Industrial property shall include facilities related to a manufacturing operation including but not limited to office, engine, research and development, warehousing or parts distribution facilities, but shall not include land.

PROCEDURE:

1. No person shall be entitled to any exemption without first filing an application with the Office of City Assessor.
2. No application shall be considered unless application is filed prior to the issuance of building permit with respect to the property.
3. No application shall be considered unless estimated cost of new construction exceeds 20 % of the assessed value of the commercial/ industrial property or \$100,000 whichever is less.
4. The Building Inspector shall review the application to determine any violations of the provisions of the building code with respect to the property of the applicant and any other property in the city owned by the applicant.

If violation(s) so exist, the Building Inspector shall forward a statement stating the nature and extent of such violations. No exemptions shall be granted until such violations have been cured.

APPLICATION FEE FORWARDED TO COLLECTOR _____ AMOUNT

REVIEWED BY ASSESSOR WITH THE FOLLOWING RECOMMENDATIONS _____

SIGNATURE/DATE/ASSESSOR John J. Gelatin 7/10/03

RECEIVED BY CITY COLLECTOR 7/9/03

APPLICANT OWES FOLLOWING TAXES _____ YEAR _____ AMOUNT
- None Owed -

TAXES ARE PAID IN FULL X

ARRANGEMENTS HAVE BEEN MADE _____ YES _____ NO

SIGNATURE/DATE/COLLECTOR Robert P. Cyman 7/15/03

RECEIVED BY BUILDING INSPECTOR DATE 5/28/03
PETITION TO BUILDING BOARD

PLANS AS REVIEWED MEET ALL CURRENT CODES/STATUTES OF CITY
CONSTRUCTION DRAWINGS AND APPLICATION FOR PERMIT ARE EXPECTED AT A LATER DATE. DEVELOPER HAS STATED THAT YES CODE & ORDINANCE NO COMPLIANCE IS INTENDED

NO VIOLATIONS EXIST ON THIS OR OTHER PROPERTIES OWNED BY APPLICANT
_____ YES _____ NO NO

* VIOLATIONS EXIST AS FOLLOWS _____

VIOLATIONS HAVE BEEN DISCUSSED WITH APPLICANT(S) ARRANGEMENTS HAVE BEEN MADE TO CORRECT SAME _____ YES _____ NO

SIGNATURE/DATE/BUILDING INSPECTOR Edgar Paxson 7/17/03
REVIEW BY THE ASSESSOR

OF THE APPLICATION FOR TAX STABILIZATION FOR COMMERCIAL/INDUSTRIAL & RESIDENTIAL PROPERTY

PARCEL 2
19/102
AKA 18 AMERICAN
EXPRESS PLAZA
GOR EXCHANGE ST

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 6/26/03

1. NAME & ADDRESS OF APPLICANT
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING
APPLICATION).

Capitol Hill Properties, LLC
90 Michelle Pillion (managing member)
Po Box 396 Newport RI 02840
(401) 423-0506 FAX: (401) 423-0580

2. IF APPLICANT IS LESSEE, GIVE
NAME AND ADDRESS OF OWNER
AND SPECIFIC TERMS OF LEASE

Capital Properties, Inc
100 Dexter Road
East Providence, RI 02914

103 yr ground lease

3. LOCATION OF PROPERTY

18 Park Row West

4. ASSESSOR'S PLAT AND LOT

Plat 019 Lot 02

5. DATE & PURCHASE PRICE OF
EXISTING PROPERTY

4/00

6. COST & PROJECTED DATE OF
ADDITIONAL PROPERTY TO BE
PURCHASED FOR THIS
EXPANSION PROJECT

N/A

H/C

Garage(1) : 6,850,000
 Garage(2) : 5,350,000
 Hotel : 10,900,000
 Apartment (NW) : 10,000,000
 Apartment (SW) : 14,600,000
 Apartment (SE) : 23,100,000
 Pavilion Restaurant : 500,000
 # 40,600,000

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.)

8. DESCRIBE EXISTING FACILITY:
 # OF STORIES _____
 # OF SQ. FT./ FLOOR _____
 AGE OF BUILDING(S) _____
 TYPE OF CONSTRUCTION _____
 INTERIOR CONDITION _____
 EXTERIOR CONDITION _____

N/A

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
- _____ c. expand building
- _____ d. remodel facility
- f. construct new building (s)
- _____ g. computer/telephone
- _____ h. other _____

10. WILL PROPOSED CONSTRUCTION/ ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY

YES NO _____

IF YES, GIVE ESTIMATE AS TO NEW POSITIONS TO BE CREATED AND JUSTIFICATION FOR SAME

1 Construction Manager and 1 project Manager for construction

The Project will employ 200-250 people once project is operational

11. WILL THE PROPOSED ALTERATION/ CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE?

YES _____ NO

12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED

YES NO _____
 176 Room hotel will require approximately \$ 880,000 in Furniture, fixtures and Equipment And any necessary FFE for operation of a 225 unit apartment building

13. CONSTRUCTION SHALL BEGIN ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED

8/03 - 12/31/06

14. ARE ALTERATIONS/CONSTRUCTION PLANS PERMITTED UNDER THE PRESENT ZONING;

YES NO

Capital Center Commission Public Hearing 7/1 + 7/10/03

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 *Morgan X. Helges*

DATE 6/24/03

Michelle B. Pilon, Managing Member
SIGNATURE OF APPLICANT

Capital Hill Properties, LLC

Po Box 396

ADDRESS *Newport RI 02840*

DATE 6/26/03

RECEIVED BY CITY ASSESSOR PROVIDENCE RHODE ISLAND

DATE

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

| DATE | PLAT | LOT | UNIT | LOCATION | CERT # | PAGE |
|---------------|------|------|------|-------------------------|--------|------|
| July 16, 2003 | 019 | 0102 | 0000 | 18 American Express Plz | 13,290 | 1 |

ASSESSED Capital Properties Inc
 OWNER

STATUS OF REAL ESTATE AND PERSONAL PROPERTY BILLS AS OF DATE PRINTED

| YR | TYPE | ORIGINAL TAX | CHARGE | ADJUSTMENT ABATEMENT | PAID | BALANCE DUE | INTEREST | TOTAL DUE | BILL NAME |
|----|------|---------------------|---------------|----------------------|---------------------|---------------|---------------|---------------|------------------------|
| 02 | RE | \$295,086.10 | \$0.00 | \$0.00 | \$295,086.10 | \$0.00 | \$0.00 | \$0.00 | Capital Properties Inc |
| | | <u>\$295,086.10</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$295,086.10</u> | <u>\$0.00</u> | <u>\$0.00</u> | <u>\$0.00</u> | |

PLEASE NOTE: TOTAL DOES NOT INCLUDE 2003 TAX AMOUNT.

NOTE - INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUE. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED 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 521-6300

C E R T I F I C A T I O N

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: Capitol Hill Properties, LLC
 P.O. Box 396
 Newport, RI 02840

ROBERT P. CEPRANO
 TAX COLLECTOR

MARC CASTALDI, DEPUTY.

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 Yes _____ No _____
 No Violations
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 _____

Capital Hill Properties , LLC
 Assumptions:
 Plat 19 Lot 102
 Capital Center Parcel 2
 Assessment Value: S 880,000 AS ESTIMATED

TERMS:

| STABILIZATION YEAR # | DATE OF ASSESSMENT | ASSESSMENT ESTIMATE | TAX RATE PER \$1000 | UNADJUSTED TAX CONCLUSION | % TAXABLE | STABILIZATION ASSESSMENT TAXABLE | STABILIZATION ASSESSMENT ABATED | STABILIZATION TAX AMOUNT | EXEMPTED STABILIZATION TAX AMOUNT |
|-------------------------|-----------------------|------------------------|------------------------|---------------------------------|--------------|--|---------------------------------------|-----------------------------|---|
| 1 | 12/31/2004 | \$880,000 | 49.68 | \$43,718 | 0% | \$0 | \$880,000 | \$0 | \$43,718 |
| 2 | 12/31/2005 | \$880,000 | 49.68 | \$43,718 | 0% | \$0 | \$880,000 | \$0 | \$43,718 |
| 3 | 12/31/2006 | \$880,000 | 49.68 | \$43,718 | 0% | \$0 | \$880,000 | \$0 | \$43,718 |
| 4 | 12/31/2007 | \$880,000 | 49.68 | \$43,718 | 10% | \$88,000 | \$792,000 | \$4,372 | \$39,347 |
| 5 | 12/30/2008 | \$880,000 | 49.68 | \$43,718 | 20% | \$176,000 | \$704,000 | \$8,744 | \$34,975 |
| 6 | 12/30/2009 | \$880,000 | 49.68 | \$43,718 | 30% | \$264,000 | \$616,000 | \$13,116 | \$30,603 |
| 7 | 12/31/2010 | \$880,000 | 49.68 | \$43,718 | 40% | \$352,000 | \$528,000 | \$17,487 | \$26,231 |
| 8 | 12/31/2011 | \$880,000 | 49.68 | \$43,718 | 40% | \$352,000 | \$528,000 | \$17,487 | \$26,231 |
| 9 | 12/31/2012 | \$880,000 | 49.68 | \$43,718 | 50% | \$440,000 | \$440,000 | \$21,859 | \$21,859 |
| 10 | 12/31/2013 | \$880,000 | 49.68 | \$43,718 | 50% | \$440,000 | \$440,000 | \$21,859 | \$21,859 |
| 11 | 12/31/2014 | \$880,000 | 49.68 | \$43,718 | 60% | \$528,000 | \$352,000 | \$26,231 | \$17,487 |
| 12 | 12/31/2015 | \$880,000 | 49.68 | \$43,718 | 60% | \$528,000 | \$352,000 | \$26,231 | \$17,487 |
| 13 | 12/31/2016 | \$880,000 | 49.68 | \$43,718 | 70% | \$616,000 | \$264,000 | \$30,603 | \$13,116 |
| 14 | 12/31/2017 | \$880,000 | 49.68 | \$43,718 | 70% | \$616,000 | \$264,000 | \$30,603 | \$13,116 |
| 15 | 12/31/2018 | \$880,000 | 49.68 | \$43,718 | 80% | \$704,000 | \$176,000 | \$34,975 | \$8,744 |
| 16 | 12/31/2019 | \$880,000 | 49.68 | \$43,718 | 80% | \$704,000 | \$176,000 | \$34,975 | \$8,744 |
| 17 | 12/31/2020 | \$880,000 | 49.68 | \$43,718 | 90% | \$792,000 | \$88,000 | \$39,347 | \$4,372 |
| 18 | 12/31/2021 | \$880,000 | 49.68 | \$43,718 | 90% | \$792,000 | \$88,000 | \$39,347 | \$4,372 |
| 19 | 12/31/2022 | \$880,000 | 49.68 | \$43,718 | 95% | \$836,000 | \$44,000 | \$41,532 | \$2,186 |
| 20 | 12/31/2023 | \$880,000 | 49.68 | \$43,718 | 100% | \$880,000 | \$0 | \$43,718 | \$0 |
| TOTALS | | | | \$874,368 | | \$9,108,000 | \$8,492,000 | \$452,485 | \$421,883 |



Capital Hill Properties , LLC
 Assumptions:
 Plat 19 Lot 102
 Capital Center Parcel 2
 Assessment Value:

| | Building SQ.FT. | Building Units | AS ESTIMATED | | |
|--------------------|-----------------|----------------|--|---|---|
| | | | ASSESSMENT ESTIMATE ATTRIBUTABLE TO LAND | ASSESSMENT ESTIMATE ATTRIBUTABLE TO BUILDINGS | TOTAL ASSESSMENT AS ESTIMATED LAND AND BUILDING |
| Garage | 182,140 | 442 | \$ - | \$ 4,420,000 | \$ 4,420,000 |
| Hotel | 99,462 | 176 | \$ 1,642,104 | \$ 13,317,896 | \$ 14,960,000 |
| Apt- Park Row West | 110,876 | 55 | \$ 1,231,578 | \$ 6,193,422 | \$ 7,425,000 |
| Apt- Parkside | 128,407 | 91 | \$ 2,463,156 | \$ 9,821,844 | \$ 12,285,000 |
| Apt- Rivertower | 199,427 | 134 | \$ 2,873,682 | \$ 15,216,318 | \$ 18,090,000 |
| Retail - Pavilion | 5,836 | 1 | \$ - | \$ 495,768 | \$ 495,768 |
| Total | | | \$ 8,210,520 | \$ 49,465,248 | \$ 57,675,768 |

| STABILIZATION YEAR # | DATE OF ASSESSMENT | LAND ASSESSMENT | LAND TAX AT \$38.82 PER SQ.FT. | ASSESSMENT ESTIMATE | TAX RATE PER \$1000 | UNADJUSTED TAX CONCLUSION | % TAXABLE | STABILIZATION ASSESSMENT TAXABLE | STABILIZATION ASSESSMENT ABATED | STABILIZATION TAX AMOUNT | EXEMPTED TAX AMOUNT | TOTAL STABILIZED TAX AMOUNT (LAND & BUILDING) |
|----------------------|--------------------|-----------------|--------------------------------|---------------------|---------------------|---------------------------|-----------|----------------------------------|---------------------------------|--------------------------|---------------------|---|
| 1 | 12/31/2004 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 0% | \$0 | \$49,465,248 | \$0 | \$1,920,241 | \$318,732 |
| 2 | 12/31/2005 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 0% | \$0 | \$49,465,248 | \$0 | \$1,920,241 | \$318,732 |
| 3 | 12/31/2006 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 0% | \$0 | \$49,465,248 | \$0 | \$1,920,241 | \$318,732 |
| 4 | 12/31/2007 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 10% | \$4,946,525 | \$44,518,723 | \$192,024 | \$1,728,217 | \$510,756 |
| 5 | 12/30/2008 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 20% | \$9,893,050 | \$39,572,199 | \$384,048 | \$1,536,193 | \$702,781 |
| 6 | 12/30/2009 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 20% | \$9,893,050 | \$39,572,199 | \$384,048 | \$1,536,193 | \$702,781 |
| 7 | 12/31/2010 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 30% | \$14,839,574 | \$34,625,674 | \$576,072 | \$1,344,169 | \$894,805 |
| 8 | 12/31/2011 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 30% | \$14,839,574 | \$34,625,674 | \$576,072 | \$1,344,169 | \$894,805 |
| 9 | 12/31/2012 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 40% | \$19,786,099 | \$29,679,149 | \$768,096 | \$1,152,145 | \$1,086,829 |
| 10 | 12/31/2013 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 50% | \$24,732,624 | \$24,732,624 | \$960,120 | \$960,120 | \$1,278,853 |
| 11 | 12/31/2014 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 50% | \$24,732,624 | \$24,732,624 | \$960,120 | \$960,120 | \$1,278,853 |
| 12 | 12/31/2015 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 60% | \$29,679,149 | \$19,786,099 | \$1,152,145 | \$768,096 | \$1,470,877 |
| 13 | 12/31/2016 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 60% | \$29,679,149 | \$19,786,099 | \$1,152,145 | \$768,096 | \$1,470,877 |
| 14 | 12/31/2017 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 70% | \$34,625,674 | \$14,839,574 | \$1,344,169 | \$576,072 | \$1,662,901 |
| 15 | 12/31/2018 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 70% | \$34,625,674 | \$14,839,574 | \$1,344,169 | \$576,072 | \$1,662,901 |
| 16 | 12/31/2019 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 80% | \$39,572,199 | \$9,893,050 | \$1,536,193 | \$384,048 | \$1,854,925 |
| 17 | 12/31/2020 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 80% | \$39,572,199 | \$9,893,050 | \$1,536,193 | \$384,048 | \$1,854,925 |
| 18 | 12/31/2021 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 90% | \$44,518,723 | \$4,946,525 | \$1,728,217 | \$192,024 | \$2,046,949 |
| 19 | 12/31/2022 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 90% | \$44,518,723 | \$4,946,525 | \$1,728,217 | \$192,024 | \$2,046,949 |
| 20 | 12/31/2023 | \$8,210,520 | \$318,732 | \$49,465,248 | 38.82 | \$1,920,241 | 100% | \$49,465,248 | \$0 | \$1,920,241 | \$0 | \$2,238,973 |
| TOTALS | | | \$6,374,648 | | | \$38,404,819 | | \$469,919,858 | \$519,385,106 | \$18,242,289 | \$20,162,530 | \$24,616,937 |

EXHIBIT B
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12/1/52

12/1/52

12/1/52

John J. Selati
12/1/52