

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 1998-18

No. 162 **AN ORDINANCE**
ESTABLISHING A TAX
STABILIZATION PLAN FOR
THE SMITH BUILDING, AS AMENDED

Approved March 16, 1998

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, commercial or residential 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, Smith-Keen has made application under, and has satisfied each condition of the above-mentioned Ordinance; and

WHEREAS, Smith-Keen is a commercial concern who intends to convert its building in the City of Providence at 57 Eddy Street to residential use, on Assessor's Plat 20, Lot 33 ("Project"); and

WHEREAS, the Project will cause an increase in the tax base of the City and will increase residential apartments in the DownCity Arts & Entertainment District 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 apartments 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 Smith-Keen owns or operates the facility, it will continue to pay taxes on the facility. Smith-Keen, its successors and assigns, agrees

No.

CHAPTER

AN ORDINANCE

**IN CITY COUNCIL
DEC. 4, 1997
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE**

Michael R. Clement CLERK

THE COMMITTEE ON

Finance
Recommends *Be Continued*

Claire Bestwick Clerk

*Dec. 8, 1997
4 Dec. 22, 1997 (Public Hearing)
4 Dec. 29, 1997*

**THE COMMITTEE ON
FINANCE**

**Approves Passage of
The Within Ordinance, as amended**

Claire Bestwick Clerk
Feb. 9, 1998

RECEIVED
FEB 19 11 20 AM '98
DEPT. OF REVENUE
PROVIDENCE, R.I.

FILED

Councilman Lombardi (By Request)

that this property will be subject to taxation at the expiration of the tax treaty. Smith-Keen also agrees not to transfer the property to a tax-exempt entity or to allow any transfer by any subsequent transferee to a tax-exempt entity during the term of the tax treaty. Smith-Keen 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 of the City of Providence. Notwithstanding this provision, in the event that the successor to the property does not make the payments under the tax treaty, Smith-Keen will be responsible to make payments in lieu of taxes to the City of Providence in the amounts set forth in the attached schedule. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, whether by Smith-Keen or any subsequent transferee of such property, Smith-Keen will be responsible to make payments in lieu of taxes of 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 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 Smith-Keen 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 Smith-Keen's further goal to award to women 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 Smith-Keen to achieve a minimum level of 10% for minority and 10% for female employment.

Section 4. The City of Providence has entered this tax treaty as a result of increasing demand for apartments in the City's Arts and Entertainment District by artists interested in taking advantage of the tax incentives available in that district as well as other professionals seeking apartments in the center of the DownCity area. As required by state law, the Smith Building is a former commercial building being converted into apartment use. This treaty shall only be in effect as long as the property is utilized primarily for residential purposes and failure to use the building for primarily residential purposes would render the treaty null and void. The parties

do not intend that this agreement would extend to use of the building as a "dormitory" or "apartment dormitory" use.¹ In fact, use of the building for "dormitory" or "apartment dormitory" purposes would also render the treaty null and void. The treaty being rendered null and void for any reason would require the owner to pay all taxes and fees as due and owing as if no treaty had been entered.

Section 5. The schedule listed below is based upon information provided to the Tax Assessor by Smith-Keen 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. This tax treaty is also conditioned upon commencement of construction and the payment of all taxes due and owing on the property within sixty (60) days of this Ordinance going into effect. Failure to begin construction or to make full payment within that time frame renders the treaty null and void. The treaty being rendered null and void would require the owner of the property to pay all taxes as due and owing as if no treaty had been entered.

Section 6. That the real property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real property tax rates in effect for the City's 1997 fiscal year. This treaty is further conditioned upon Smith-Keen at all times owing no back taxes to the City of Providence or remaining current on a payment plan approved by the Tax Collector. Failure to make said timely payments may render this treaty null and void at the sole discretion of the City of Providence.

Section 7. 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 Smith-Keen located at 57 Eddy Street in Providence, Rhode Island, on a portion of Assessor's Plat 20, Lot 33 as provided in the above-mentioned Ordinance, in accordance with the schedule in Exhibit A.

Section 8. This Ordinance shall take effect upon its passage.

¹For the purposes of this ordinance, the definition of the term "dormitory" or "apartment dormitory" is defined according to Section 1000.12 of the Zoning Ordinance for the City of Providence.

AN ORDINANCE ESTABLISHING A
TAX STABILIZATION PLAN FOR
THE SMITH BUILDING, AS AMENDED

..... IN CITY COUNCIL

FEB 19 1998
FIRST READING
READ AND PASSED

Michael R. Clement
CLERK

IN CITY
COUNCIL
MAR 5 1998

FINAL READING
READ AND PASSED

Emlyn J. Fargnoli
PRESIDENT
Michael R. Clement
CLERK

APPROVED

MAR 16 1998

Vincent A. Blangiardi
MAYOR

RECEIVED BY CITY ASSESSOR
PROVIDENCE RHODE ISLAND

\$ 300.⁰⁰ 11/3/97 DATE

APPLICATION FEE FORWARDED TO
COLLECTOR

\$ 300.00 AMOUNT

REVIEWED BY ASSESSOR WITH THE
FOLLOWING RECOMMENDATIONS

Approve Tax Stabilization
to develop artists lofts

SIGNATURE/DATE/ASSESSOR

[Signature] 11/18/97

RECEIVED BY CITY COLLECTOR

11-18-97

APPLICANT OWES FOLLOWING TAXES

YEAR AMOUNT

1997 Taxes are Current

TAXES ARE PAID IN FULL

paid 2nd of April

ARRANGEMENTS HAVE BEEN MADE

[Signature] YES NO

SIGNATURE/DATE/COLLECTOR

[Signature]

RECEIVED BY BUILDING INSPECTOR
DATE

11-12-97

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

YES NO

NO VIOLATIONS EXIST ON THIS OR
OTHER PROPERTIES OWNED BY
APPLICANT

YES NO

* VIOLATIONS EXIST AS FOLLOWS

Permit has not been issued;
complete plans are in this office

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

YES NO

SIGNATURE/DATE/BUILDING INSPECTOR

Ranji J. Frye 11-14-97

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.)

Approximately \$2,500,000 hard
construction costs to convert existing
7-story vacant commercial
building into 36 residential units.

8. DESCRIBE EXISTING FACILITY:

OF STORIES 7
OF SQ. FT./ FLOOR 7,300
AGE OF BUILDING(S) 85 years
TYPE OF CONSTRUCTION Brick sheathed/steel frame
INTERIOR CONDITION vacant/poor
EXTERIOR CONDITION poor

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
 d. expand building
 e. remodel facility
 f. construct new building (s)
 g. other (explain) convert existing
vacant commercial building to residential use

10. WILL PROPOSED CONSTRUCTION/ ALTERATION INCREASE THE EMPLOYMENT AT YOUR COMPANY YES _____ NO X

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

11. WILL THE PROPOSED ALTERATION/ CONSTRUCTION CAUSE ANY OTHER FACILITY TO CLOSE? YES _____ NO X

12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL FURNITURE/FIXTURES/EQUIPMENT? IF YES, GIVE DETAILS AS TO NUMBER AND TYPE TO BE PURCHASED YES _____ NO X

13. CONSTRUCTION SHALL BEGIN On or before February 1, 1997
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED On or before September 1, 1997

14. ARE ALTERATIONS/CONSTRUCTION PLANS PERMITTED UNDER THE PRESENT ZONING; YES X NO _____

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).

Smith/Keen Partners
By Smith Bldg. Inc., Treasurer
Dr. J. M. Kelly

SIGNATURE OF APPLICANT

Bonny Naret

WITNESS

731 Hospital Trust Bldg., Providence, RI

ADDRESS

November 3, 1997

DATE

November 3, 1997

DATE

YEAR #	% ABATED	ASSESSMENT DATE	TAXES PAID	ASSESSMENT ABATED	TAXES ABATED
1	90	12/31/97	\$ 5,285.71	1,487,070	\$ 47,571.37
2	80	12/31/98	\$ 10,571.42	1,321,840	\$ 42,285.66
3	70	12/31/99	\$ 15,857.12	1,156,610	\$ 36,999.95
4	60	12/31/00	\$ 21,142.83	991,380	\$ 31,714.25
5	50	12/31/01	\$ 26,428.54	826,150	\$ 26,428.54
6	40	12/31/02	\$ 31,714.25	660,920	\$ 21,142.83
7	30	12/31/03	\$ 36,999.95	495,690	\$ 15,857.12
8	20	12/31/04	\$ 42,285.66	330,460	\$ 10,571.42
9	10	12/31/05	\$ 47,571.37	165,230	\$ 5,285.71
10	0	12/31/06	\$ 52,857.07	0	\$ -
			TOTAL	TOTAL	\$ 237,856.85
PROJECT ASSESSMENT		LAND	365,600		
		BLDG	1,286,700		
		TOTAL	1,652,300		
STABLIZATION FOR SMITH BUILDING					
ASSESSORS PLAT 20 LOT 33					
CORNISH REALTY					
CITY ORDIANCE #					

TAX CERTIFICATE

Applicant: Smith Keen Partners

Owner: Smith Keen Partners

Address: 57 Eddy Street

Plat 20 Lot 33

Are any and all taxes current on this property?

Yes No

Are any and all taxes due and owing on any other property owned by applicant?

Yes No N/A

If not, is the applicant on a payment plan approved by the Collector?

Yes No N/A

If Yes, is applicant current on payment plan?

Yes No N/A

Comments: _____

I certify the above information is true and correct.


Anthony Annarino, Collector

Attachments:

- Municipal lien certificate
- Terms and conditions of payment plan

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
FEB 09 1998	20	33	0000	57 EDDY	14076	1

Assessed Owner SMITH KEEN PARTNERS

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

YR	BILL NUMBER	TYPE	ORIGINAL TAX	AMOUNT PAID	BALANCE DUE	INTEREST	BILL NAME
97	02000330000	REAL	21,027.03	15,770.25	5,256.78	0.00	SMITH KEEN PARTNER
			21,027.03	15,770.25	5,256.78	0.00	

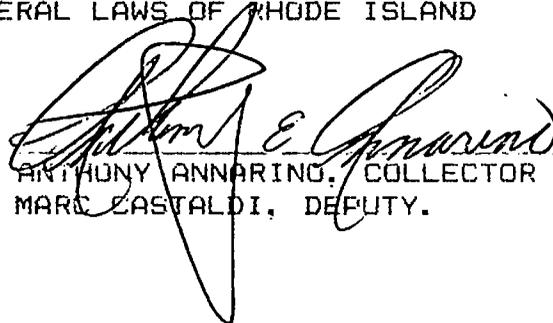
OTHER OUTSTANDING ITEMS:

PLEASE CONTACT THE WATER SUPPLY BOARD AT 521-6300
 PLEASE CONTACT THE NARRAGANSETT BAY COMMISSION AT 277-6665

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: AA
 AA
 AA


 ANTHONY ANNARINO, COLLECTOR
 MARC CASTALDI, DEPUTY.

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

1998-1P

DATE	PLAT	LOT	UNIT	LOCATION	CERT#	PAGE
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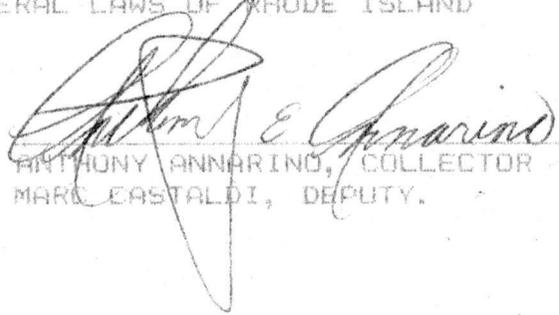
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MAILED TO: AA
 AA
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 ANTHONY ANNARINO, COLLECTOR
 MARC CASTALDI, DEPUTY.

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
FEB 09 1998	20	33	0000	57 EDDY	14076	1

Assessed Owner: SMITH KEEN PARTNERS

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

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MAILED TO: RA
 RA
 RA

Anthony Annarino
 ANTHONY ANNARINO, COLLECTOR
 MARC CASTALDI, DEPUTY