

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2003-61

No. 745

AN ORDINANCE

ESTABLISHING A TAX
STABILIZATION PLAN FOR 166 VALLEY
STREET LLC ON BEHALF OF THE RISING
SUN MILLS PROJECT

Approved December 1, 2003

Be it ordained by the City of Providence:

WHEREAS, the City Council, pursuant to the General Laws of the State of Rhode Island, as amended, has the authority to exempt and/or stabilize property taxes for property owners if the granting of the exemption and/or stabilization meets certain conditions set forth in applicable provisions of the General Laws of the State of Rhode Island and the Code of Ordinances of the City of Providence; and

WHEREAS, the City Council enacted Section 21-170.1 of the Code of Ordinances of the City of Providence whereby eligible properties, defined as properties designated on the landmark list as part of the mill restoration program and the arts and entertainment district in the City of Providence as approved by the City Council and certified by the City building inspector as in need of substantial rehabilitation, may be provided tax considerations, upon application, for a period beginning with the assessments of December 31, 2000 up to and including December 2011, so that the annual taxes on the eligible and approved land and buildings for this period shall equal the taxes based on the assessment date of December 31, 2000 for the tax year 2001, regardless of any increase in value attributable to the substantial rehabilitation undertaken, provided such rehabilitation commences prior to December 31, 2005, with any business or businesses located in such eligible and approved property or moving to such property from outside the City of Providence being considered, by application, for a tax program taxing their tangible personal property at the rate of \$33.44 per thousand dollars of assessed value for the same period as discussed above; and,

No.

CHAPTER
AN ORDINANCE

IN CITY COUNCIL
JULY 19 2003
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clement
CLERK

Councilwoman DiRusso 30

THE COMMITTEE ON

Finance
Recommendations
Anna M. Steiner

9-9-03 - Schedule P. Hy
9-29-03 - P. Hy held
10-21-03 Con't (amended)

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance, as Amended

Anna M. Steiner
10-28-03 Clerk

Amended
10-28-03

WHEREAS, 166 Valley Street LLC as the property owner of 166 Valley Street, Providence, Rhode Island has made application under Section 21-170.1 of the Code of Ordinances of the City of Providence for tax stabilization and has satisfied each condition of Section 21-170.1 of the Code of Ordinances of the City of Providence in relation to its Rising Sun Mills Project; and

WHEREAS, it is in the public interest to provide and attract new residential and commercial uses as envisioned in the Rising Sun Mills Project; and

WHEREAS, the Rising Sun Mills Project shall incorporate ten (10) buildings to undergo substantial rehabilitation, as certified by the building inspector, for residential, retail and office uses as located on Lots 282, 301 and 393 of Assessor's Plat 62;

WHEREAS, the City Council has determined that the Sun Rising Mills Project will assist the City of Providence in its mill restoration program by renovating buildings designated on its landmark list;

WHEREAS, the City Council has determined it is in the interest of the residents of the City of Providence to grant such tax stabilization to induce the renovation of mill buildings in the City, and such tax stabilization will inure to the long-term 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. Definitions. The following terms shall have the meanings set herein:

- (a) "Commencement Date" means the date of passage of this ordinance.
- (b) "Personal Property" means any and all fixtures now or hereafter located at the Project Site, as hereinafter defined.
- (c) "Project" means the Rising Sun Mills Project as identified in Exhibit A.
- (d) "Project Owner" means 166 Valley Street LLC or any successor permitted hereunder.
- (e) "Project Site" means the land, as well as improvements found thereon, designated as Assessor's Plat 62, Lots 282, 301 and 393 located at 166 Valley Street.

(f) "Project Taxable Properties" means, collectively, the Project Site, as proposed, the Real Property Improvements, hereinafter defined, and the Personal Property, together constituting the Project, hereinafter defined.

(g) "Real Property Improvements" means all structures, buildings, renovations and improvements currently proposed to be located at the Project Site as identified in Exhibit A, being the application of Property Owner for consideration by the City Council for tax stabilization; provided, that it is understood that any material additional improvements, excluding customary repairs and renovations, shall require a modification of this tax stabilization Ordinance.

(h) "Stabilized Tax Payment" means, with respect to the Project Taxable Properties, the amounts listed on the attached schedule found on Exhibit B.

(i) "Termination Date" means June 30 of the year in which Stabilized Tax Payments based on the December 31, 2011 assessment date are to be paid in full.

Section 3. Term. The term of the tax stabilization hereby granted shall be for a period commencing on the Commencement Date and terminating on the Termination Date all as more particularly described on Exhibit B.

Section 4. Transfer. 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 166 Valley Street LLC or any subsequent transferee of such property, 166 Valley Street 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 condominiums, said condominiums shall no longer be covered under this ordinance and shall be subject to taxation without regard to any tax stabilization agreement. Notwithstanding anything to the contrary herein the provisions of this Section 4 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 5. Payment of Taxes. (a) Project Owner shall make Stabilized Tax Payment(s) as prescribed in the attached schedule set forth in Exhibit B to the City in lieu of all other taxes on the Project Taxable Properties and the City agrees to accept the Stabilized Tax Payments in lieu of all other taxes on the Project Taxable Properties.

(b) Stabilized Tax Payments due to the City, 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 and similarly subject to interest and late fee penalties if not timely made.

(c) It is understood by the parties that the Stabilized Tax Payment(s) 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.

(d) The liability for Stabilized Tax Payments due and owing under this agreement shall constitute an obligation of Project Owner, and the City 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 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 6. Satisfaction of Obligations. The City agrees that so long as the Stabilized Tax Payment(s) are made by the Project Owner in accordance with the terms of this agreement, the City 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 which would otherwise be levied upon or

with respect to the Project Taxable Properties, including future customary repairs and customary renovations of 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 materials renovations or improvements beyond that contemplated in the project.

Section 7. Minority and Local Contractors. 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 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 8. Employment. Project Owner will include in all subcontracts a community hiring program in which the employer commits to notify Project Owner of any job openings at Rising Sun Mills and to a willingness to interview candidates provided by Project Owner's Community Hiring staff. Project Owner has set a target minimum of thirty (30) community hires over the course of Project construction. In addition, Project Owner agrees to provide training and/or apprenticeships for 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.

Section 9. Support for Affordable Housing. (a) Project Owner and all successors and assigns shall make a \$165,000.00 contribution to a trust to be created and administered by the Providence Redevelopment Authority to support affordable housing as follows:

- (i) \$50,000.00 to be contributed on or before June 30, 2004,
- (ii) \$10,000.00 to be contributed on each of June 30, 2005, 2006 and 2007, or before,
- (iii) \$13,000.00 to be contributed on or before June 30, 2008,
- (iv) \$15,000.00 to be contributed on or before June 30, 2009,
- (vi) \$17,000.00 to be contributed on or before June 30, 2010,
- (vii) \$19,000.00 to be contributed on or before June 30, 2011, and
- (viii) \$21,000.00 to be contributed on or before June 30, 2013.

The contributions made by Project Owner shall be directed to housing specifically in the Olneyville/Valley section of the City of Providence.

- (b) Project Owner shall provide \$300,000.00 for the pre-development and/or land acquisition costs for affordable housing (meaning housing for persons and/or families who/which earn sixty (60%) percent or lower of the median family income for the Providence Metropolitan Statistical Area, with adjustments for family size, where costs for housing are thirty (30%) percent of income), either by itself or in concert with another or others, with a goal of thirty (30) units to be created in the Olneyville/Valley neighborhood. If in concert with another or others, said monies shall be considered a loan to the project(s) to be repaid, together with reasonable interest, upon the sale of the units or the permanent financing of same.

Section 10. Purpose. The City of Providence has entered into this tax treaty to renovate mill buildings and to provide residential, retail and commercial units in the City of Providence and to increase its tax base as a result of such renovation. 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 would render the treaty null and void. The parties do not intend that this agreement would extend to any building or buildings used as a "dormitory" or "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 11. 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 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 conditioned upon commencement of construction by December 31, 2005. Failure to begin construction by December 31, 2005 renders the treaty null and void and shall subject the Project Owner liable for the difference of the taxes due under Exhibit B and the taxes that would have been payable but for the tax treaty, if no treaty had been entered, all in accordance with Section 170.1 of the Code of Ordinances of the City of Providence.

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

Section 13. 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 will that provide evidence of compliance with Sections 7, 8 and 9 hereof on forms provided by said director for said purpose. The Director may require additional information to demonstrate compliance.

Section 14. Penalties. In the event that Project Owner does not comply with any of its provisions, upon the written declaration of non-compliance from the Director of the Department of Planning and Development, City of Providence, this tax stabilization agreement shall be immediately rendered null and void and the full tax which would otherwise have become due and payable, plus interest and penalties as provided by law, shall become immediately due and payable.

Section 15. 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 16. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

Section 17. Effective Date. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL

NOV 6 2003

**FIRST READING
READ AND PASSED**

Michael S. Clement
CLERK

**IN CITY
COUNCIL**

NOV 20 2003

**FINAL READING
READ AND PASSED**

Michael S. Clement
PRESIDENT
Michael S. Clement
CLERK

APPROVED

[Signature]

MAYOR

12/1/03

RECEIVED BY CITY ASSESSOR
PROVIDENCE RHODE ISLAND

12/21/02 DATE

APPLICATION FEE FORWARDED TO
COLLECTOR

AMOUNT

REVIEWED BY ASSESSOR WITH THE
FOLLOWING RECOMMENDATIONS

spreadsheets attached.

SIGNATURE/DATE/ASSESSOR

John J. Gelati 4/17/03

RECEIVED BY CITY COLLECTOR

Robert P. Cepano

APPLICANT OWES FOLLOWING TAXES

YEAR

AMOUNT

N/A

TAXES ARE PAID IN FULL

yes

ARRANGEMENTS HAVE BEEN MADE

YES

NO

SIGNATURE/DATE/COLLECTOR

Robert P. Cepano

RECEIVED BY BUILDING INSPECTOR
DATE

3/25/03

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

SCHEMATIC REVIEWS HAVE BEEN COMPLETED
APPEAL TO RHABCODE BOARD OF REVIEW IS
BEING SCHEDULED YES NO

NO VIOLATIONS EXIST ON THIS OR
OTHER PROPERTIES OWNED BY
APPLICANT

NO VIOLATIONS-ZONING, BUILDING- ON THIS
PROPERTY, LIST OF OTHER PROPERTIES OWNED BY
APPLICANT ISN'T AVAILABLE YES NO

* VIOLATIONS EXIST AS FOLLOWS

-

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

- YES NO

SIGNATURE/DATE/BUILDING INSPECTOR

Edgar Paxson

CITY OF PROVIDENCE, RHODE ISLAND
APPLICATION REQUESTING
TAX STABILIZATION FOR COMMERCIAL / INDUSTRIAL 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 \$251,000 - \$750,000
\$300.00 FOR PERMIT OVER - \$751,000
\$200.00 FOR COMPUTER/TELEPHONE
.001% OF EST. CONSTRUCTION COSTS (RESIDENTIAL)

DATE Dec. 21, 2002

- | | |
|--|--|
| 1. NAME & ADDRESS OF APPLICANT
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING
APPLICATION). | <u>166 Valley Street LLC</u>
<u>By The Armory Revival Company, Member</u>
<u>H. LeBaron Preston, Treasurer</u> |
| | <u>1570 Westminster Street</u>
<u>Providence, RI 02909</u> |
| 2. IF APPLICANT IS LESSEE, GIVE
NAME AND ADDRESS OF OWNER
AND SPECIFIC TERMS OF LEASE | <u>N/A</u> |
| | <u> </u> |
| | <u> </u> |
| | <u> </u> |
| | <u> </u> |
| 3. LOCATION OF PROPERTY | <u>166 Valley Street, Providence</u> |
| 4. ASSESSOR'S PLAT AND LOT | <u>AP 62, Lots 282, 301 and 393</u> |
| 5. DATE & PURCHASE PRICE OF
EXISTING PROPERTY | <u>Nov 7, 2002, \$3,675,000</u> |
| | <u> </u> |
| 6. COST & PROJECTED DATE OF
ADDITIONAL PROPERTY TO BE
PURCHASED FOR THIS
EXPANSION PROJECT | <u>None</u> |
| | <u> </u> |

P. 6 -

7. ESTIMATED COST OF EXPANSION/ Please see attached sheet
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 Please see attached sheet
OF SQ. FT./ FLOOR
AGE OF BUILDING(S)
TYPE OF CONSTRUCTION
INTERIOR CONDITION
EXTERIOR CONDITION

9. APPLICATION IS MADE UNDER THE PROVISION OF THE ORDINANCE
FOR THE FOLLOWING REASON(S)
(CHECK ONE OR MORE)
☒ a. locate in City of Providence
☐ b. replace section of premises
☐ d. expand building
☒ e. remodel facility
☐ f. construct new building (s)
☐ g. computer/telephone
☐ h. other tax stabilization for owners of
designated properties on the Land Mark list in
need of substantial rehabilitation

10. WILL PROPOSED CONSTRUCTION/ ALTERATION INCREASE THE
EMPLOYMENT AT YOUR COMPANY YES ☒ NO ☐
Please see attached sheet

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 ☒

12. WILL CONSTRUCTION/ALTERATION REQUIRE PURCHASE OF ADDITIONAL
FURNITURE/FIXTURES/EQUIPMENT? YES ☒ NO ☐
Please see attached sheet
IF YES, GIVE DETAILS AS TO NUMBER
AND TYPE TO BE PURCHASED

13. CONSTRUCTION SHALL BEGIN May, 2003
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED December, 2002

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

IF NO, PLEASE ADVISE AS TO Project will require
WHETHER APPLICATION HAS BEEN
OR WILL BE FILED WITH ZONING dimensional warehouse. Application filed Jan 6, 20
BOARD OF REVIEW.

HAS HEARING BEEN SCHEDULED? No

Heard on 4/15/03 - approval

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).

[Signature]
WITNESS

4/21/03
DATE

[Signature]
SIGNATURE OF APPLICANT
THE Memory Book Company
1570 Whittman Street
ADDRESS

February 13, 2002
DATE

7. Estimated cost of renovation: \$25,245,000

Scope of project: The property at 166 Valley Street consists of 10 historic mill buildings and one newer building (1960). Currently the buildings are largely vacant. The tenants that remain are a mixture of light manufacturing, artisans, craftsmen, fulfillment companies and warehouse users.

Residential: We propose to save and completely renovate 5 of the buildings (building nos. 5, 6, 6A, 7 and 8) as residential lofts:

Building 5 is a one-story brick building containing 3,443 NSF

Building 6 is a four story brick building, of heavy timber mill construction containing 91,153 NSF.

Building 6A is a three story brick building, of heavy timber mill construction containing 23,937 NSF

Building 7 is a 4 story brick building, of heavy timber mill construction containing 21,287 NSF

Building 8 is a two story brick building, containing 3,881 NSF

The Boiler House is a one story brick building of heavy frame mill construction, containing 3,938 NSF

Included in the work will be new thermal efficient windows, a new roof, all new electric and plumbing systems, and individual high efficiency heating and air conditioning systems.

The newer building (building 9), a one story building, will be converted into a parking garage. Building 9 is a one-story cinder block building with a light steel joist roof, containing 22,260 NSF

Commercial: We propose to completely renovate two of the buildings (building 3 and 3L) for a lively mix of retail on the ground floor and mill office space on the upper floors. Included in the work will be a new roof, and all new electric, plumbing and HVAC systems.

Buildings 3 and 3L are actually one large building with an addition. Together, they are a four story brick building, of heavy timber mill construction containing 91,153 NSF.

We propose to renovate three of the buildings as a business incubator, artists studio and gallery space (Buildings 1, 2, and 3A). Included in the work will be a new roof for each building. The interior renovations will be minimal so as to preserve the original industrial mill feeling of the space and to keep costs, and therefore rents, to extremely affordable levels.

Building 1 is a one story brick building of heavy timber mill construction containing 1,542 NSF.

Building 2 is a two story brick building, of heavy timber mill construction containing 13,556 NSF.

Building 3A is a two story brick building, of heavy timber mill construction containing 3,108 NSF.

8. Description of the existing facility:

Bldg.	No. stories	Sf/floor	Age of bldgs	Type of const	Interior condition	Exterior condition
1	1	1749	150 yrs	Heavy timber mill construction with bearing brick exterior walls.	Poor	Poor
2	2	6209	150	Heavy timber mill construction with bearing brick exterior walls.	Poor	Poor
3A	3	1,680	150	Heavy timber mill construction with bearing brick exterior walls.	Poor	Poor
3&3L	4	18,196	150	Heavy timber mill construction with bearing brick exterior walls.	Fair	Poor
5	1	3,943	150	Heavy timber mill construction with bearing brick exterior walls.	Fair	Poor
6	4	25,502	150	Heavy timber mill construction with bearing brick exterior walls.	Fair	Poor
Boiler House	1	4201	150	Heavy timber mill construction with bearing brick exterior walls.	Fair	Poor
6A	3	9,844	150	Heavy timber mill construction with bearing brick exterior walls.	Fair	Poor
7	4	8,720	150	Heavy timber mill construction with bearing brick exterior walls.	Poor	Poor
8	2	2,320	150	Heavy timber mill construction with bearing brick exterior walls.	Poor	Poor
9	1	22,280	40	Cinder block walls with light steel truss roof	Good	Fair
10	1	2,527	150	Bearing brick exterior walls with light wood frame floors and roof	Good	Fair
Gate House	1	241	150	Bearing brick exterior walls with light wood frame floors and roof	Poor	Poor

10. Jobs at the facility once the rehabilitation is complete:

Management and maintenance	5
Construction (temporary)	3-400
Commercial tenants	400

12. Purchase of additional furniture/ fixtures /equipment:

For each of the 151 residential rental lofts to be built, we will be purchasing the following equipment:

151 refrigerators - GE
151 stoves -GE gas stove
151 dishwashers -GE

For the management office:

2 computers
Copier
Fax machine
2 desks
1 conference table
2 filing cabinets
15 chairs

STRUEVER BROS. ECCLES & ROUSE, INC.

January 31, 2003

166 Valley Street, LLC
1040 Hull Street
Baltimore, MD 20230

Re: Rising Sun Mills Project
SBER Job #1798

Subject: Building Construction Improvement Costs

Ladies and Gentlemen:

As requested, the following is our estimate of building construction costs for the referenced project based on the plans dated 11/27/02 and accepted value engineering:

Building 1	\$ 125,461
Building 2/2A	\$ 439,764
Building 3A	\$ 94,965
Building 3/3L	\$2,707,944
Building 5/6A	\$3,112,475
Boiler House	\$ 837,466
Building 6	\$7,980,897
Building 7	\$2,690,015
Building 8	\$ 433,631
Building 9	\$ 546,836
Building 10	\$ 249,953
Total	\$19,219,407

Should you have any questions concerning the above, please do not hesitate to contact the undersigned.

Sincerely,



Richard W. Lehmann
Sr. Project Executive

Estimated Potential Tax Revenues
Generated by Rising Sun Mills at Phase I full buildout

<u>Jurisdiction</u>	<u>Personal property</u>	<u>Motor Vehicle</u>	<u>Retail Sales</u>	<u>Business Corp.</u>	<u>Employment Tax</u>	<u>Personal Income Tax</u>	<u>TOTAL</u>
State	x	x	318300	1595500	235000	842700	2991500
City	22900	117500 x	x	x	x		140400
Total	22900	117500	318300	1595500	235000	842700	3131900

**RIISING SUN MILLS
166 VALLEY STREET, LLC**

1570 Westminster Street
Providence, RI 02909

January 31, 2003

Joan DiRuzzo
Councilwoman
City of Providence
City Hall
Providence, RI 02903

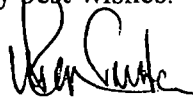
Dear Joan,

We are pleased to submit our application for tax stabilization for our Rising Sun Mills project in the Olneyville section of Providence. This application is made for a mill restoration project for a property on the City's landmark list as encouraged and permitted under Ordinance No. 591 of October 18, 2002. We believe that the redevelopment of these historic mills will spark a revitalization of the Valley/Olneyville area. As you know, we have been working with the City and neighborhood groups on initiatives that will leverage our work at Rising Sun to stimulate additional reinvestment in Valley/Olneyville.

One result of this work will be the generation of additional tax revenues for the city of Providence and for the State. An estimate of those additional revenues is attached. These are in addition to the real estate tax revenues to be generated by the project at the end of the stabilization period and in addition to the real estate tax revenues that will come from increased property values in the area as other initiatives go forward.

We look forward to working with you, with the Mayor, with Councilwoman DiRuzzo and with the neighborhood as we move forward on this exciting project.

Very best wishes.



H. LeBaron Preston

cc: Councilman Kevin Jackson
John Gelotti, Acting Tax Assessor
Carl W. Struever, SBER

45 mil overall

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

DATE	PLATE	LOT	UNIT	LOCATION	CERT #	PAGE
March 20, 2003	062	0393	0000	166 Valley St	8,855	1

ASSESSED Blacher Brothers 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	\$77,173.96	\$0.00	\$0.00	\$77,173.96	\$0.00	\$0.00	\$0.00	Blacher Brothers Inc
		<u>\$77,173.96</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$77,173.96</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

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:

The Armory Revival CO.
1570 Westminster Street
Providence, RI 02909



ROBERT P. CEPRANO
TAX COLLECTOR

MARC CASTALDI, DEPUTY.

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

DATE	PLATE	LOT	UNIT	LOCATION	CERT #	PAGE
March 20, 2003	062	0282	0000	100 Amherst St	8,852	1
ASSESSED Blacher Brothers 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	\$1,667.63	\$0.00	\$0.00	\$1,667.63	\$0.00	\$0.00	\$0.00	Blacher Brothers Inc
		<u>\$1,667.63</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$1,667.63</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

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.

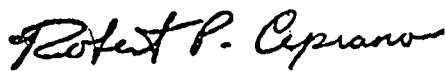
NOTE - PLEASE BE AWARE THAT UNPAID TAXES MAY BE SUBJECT TO TAX SALE.

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

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CITY HALL PROVIDENCE, R.I. 02903 (401) 331-5252

DATE	PLATE	LOT	UNIT	LOCATION	CERT #	PAGE
March 20, 2003	062	0301	0000	166 Valley St REAR	8,854	1

ASSESSED Blacher Brothers 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	\$6,113.76	\$0.00	\$0.00	\$6,113.76	\$0.00	\$0.00	\$0.00	Blacher Brothers Inc
		<u>\$6,113.76</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$6,113.76</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	

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ROBERT P. CEPRANO
TAX COLLECTOR

MARC CASTALDI, DEPUTY.

10/21/03

Tangible 166 Valley St LLC

Stabilization For: 166 Valley Street LLC 166 Valley Street (Rising Sun Mills)
 Date of Application: December 21, 2002
 City Ordinance: Chapter 2002-37, No. 591 (Landmark Mill Restoration Program)
 Parcels (Plat/Lot): Plat 62 Lots 282,301,393
Assessment Assumptions:
 Tax Rate : of (1999) \$33.44

TANGIBLE
 ASSESSMENT: \$ 156,500
 TAX RATE PER \$1000: \$33.44
 UNADJUSTED TAX CONCLUSIONS: \$ 5,233

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2003	\$ 156,500	0%	\$ -	\$ 5,233	\$ -	\$ 5,233
Totals				\$ -	\$ 5,233	\$ -	\$ 5,233

* NOTE: This tax stabilization is for the projected cost of furniture, fixtures and equipment to be located at and/or used in connection with the Project and contains estimates provided by the developer.


 4/17/2008

John J. Gelati
10/21/03

10/21/03

EXHIBIT B

Real Estate 166 Valley St LLC

Stabilization For: 166 Valley Street LLC 166 Valley Street (Rising Sun Mills)
 Date of Application: December 21, 2002
 City Ordinance: Code of Ordinance 21-170.1
 Parcels (Plat/Lot): Plat 62 Lots 282,301,393

Assessment Assumptions:

Assessment Valuation Date of December 31, 2000

Tax Rate : of (2001) \$34.07

REAL ESTATE
 ASSESSMENT: \$ 2,363,810
 TAX RATE PER \$1000: \$34.07
 UNADJUSTED TAX CONCLUSIONS: \$ 80,535

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2003	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
2	12/31/2004	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
3	12/31/2005	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
4	12/31/2006	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
5	12/31/2007	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
6	12/31/2008	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
7	12/31/2009	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
8	12/31/2010	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
9	12/31/2011	\$ 2,363,810	0%	\$ -	\$ 80,535	\$ -	\$ 80,535
Totals				\$ -	\$ 724,815	\$ -	\$ 724,815

10/21/2003

166 Valley Street LLC -Rising Sun Mills Stabilization 10.21.02

John J. Delatini
City Assessor

John Geluti
12/21/03

Exhibit A

INSTRUCTION FOR FILING

APPLICATION FOR TAX STABILIZATION

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

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

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 so exist, the Building Inspector shall forward a statement stating the nature and extent of the violations. No exemption shall be granted until such have been cured.