

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2004-21

No. 178

AN ORDINANCE

ESTABLISHING A TANGIBLE TAX
STABILIZATION PLAN FOR ABAQUS,
INC.

Approved May 17, 2004

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, pursuant to RIGL 44-3-31.2, 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 31, 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
 JAN 8 2004
 FIRST READING
 REFERRED TO COMMITTEE ON
 FINANCE
Claire B. [Signature] CLERK

THE COMMITTEE ON
Finance
 Recommends
Ann M. Stejneger
 CLERK
 2-26-04 - Schedule P. Hrg
 3-16-04 P. Hrg held

THE COMMITTEE ON
 FINANCE
 Approves Passage of
 The Within Ordinance

4-13-04 Clerk

Councilwoman Di Russo, By Request

WHEREAS, Abaqus, Inc., currently located outside of the City of Providence, intending to become a commercial tenant at 166 Valley Street, Providence, Rhode Island, which real property and improvements thereon are designated on the landmark list of the mill restoration program, 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 Abaqus, Inc. Valley Street Project, as defined below; and

WHEREAS, it is in the public interest to provide and attract new commercial uses as envisioned in the Abaqus, Inc. Valley Street Project; and

WHEREAS, the Abaqus, Inc. Valley Street Project entails the leasing, improving and occupying of approximately 73,000 square feet for office space, expandable to 98,000 square feet, bringing approximately 230 employees to the City of Providence, with an expectation of an additional 100 employees over the next 5 years, all located on Lots 282, 301 and 393 of Assessor's Plat 62, being the Rising Sun Mills Projects;

WHEREAS, the City Council has determined that the Abaqus, Inc. Valley Street Project will assist the City of Providence in its mill restoration program by renovating and occupying 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 and occupation by employers 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, including leasehold improvements, now or hereafter located at the Project Site, as hereinafter defined.
- (c) "Project" means the Abaqus, Inc. Valley Street Project as identified in Exhibit A.

(d) "Project Owner" means Abaqus, Inc. 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, Providence, Rhode Island, as leased by Project Owner.

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

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

(h) "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 leases 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. 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 of Providence 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.

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.

Section 7. Minority and Local Contractors. It shall be the goal and the Project Owner shall use its best efforts to hire minority contractors and subcontractors and to purchase equipment from entities which/who are situated in and/or are residents of the City of Providence.

Section 8. Employment. It shall be the goal and the Project Owner shall use its best efforts to hire employees who are residents in the City of Providence.

Section 9. 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, using the tax rate of \$33.44 per thousand dollars of tangible valuation as of each assessment date of the term of this agreement. Assessments are undertaken on December 31st of each year for tangible property within the City of Providence.. 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 10. 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 11. 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 and 8 hereof on forms provided by said director for said purpose. The Director may require additional information to demonstrate compliance.

Section 12. 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 13. 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 14. 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
APR 20 2004
**FIRST READING
READ AND PASSED**
Craig Bullock
Clerk

IN CITY COUNCIL
MAY 6 2004
**FINAL READING
READ AND PASSED**
[Signature]
PRESIDENT
Michael B. Clement
CLERK (M.B.)

APPROVED
[Signature] 5/17/04
MAYOR

CITY OF PROVIDENCE, RHODE ISLAND

APPLICATION REQUESTING

TAX STABILIZATION FOR COMMERCIAL / ~~INDUSTRIAL & RESIDENTIAL~~
TANGIBLE PROPERTIES

ACCORDING TO
SECTION 170, 1(c)
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 October 20, 2003

1. NAME & ADDRESS OF APPLICANT ABAQUS, Inc.
(IF CORPORATION/PARTNERSHIP,
GIVE NAME & TITLE OF CEO FILING
APPLICATION). 1080 Main Street, Pawtucket RI
02860, Mark C. Goldstein, CEO
2. IF APPLICANT IS LESSEE, GIVE
NAME AND ADDRESS OF OWNER
AND SPECIFIC TERMS OF LEASE 166 Valley Street LLC
c/o Struener Bros. Eccles & Rouse, Inc.
140 Hull Street, Baltimore MD 21230
Ten-year lease for 73,000 sf
office space, expandable to 98,000 sf
3. LOCATION OF PROPERTY 166 Valley Street (Rising Sun Mills)
4. ASSESSOR'S PLAT AND LOT Assessor's Plat 62, Lots 282, 301, 393
5. DATE & PURCHASE PRICE OF
EXISTING PROPERTY Not Applicable
6. COST & PROJECTED DATE OF
ADDITIONAL PROPERTY TO BE
PURCHASED FOR THIS
EXPANSION PROJECT Not Applicable

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.) Not Applicable

8. DESCRIBE EXISTING FACILITY:

OF STORIES
OF SQ. FT./ FLOOR
AGE OF BUILDING(S)
TYPE OF CONSTRUCTION
INTERIOR CONDITION
EXTERIOR CONDITION

Applicant proposes to lease the entirety of 6 mill buildings to be renovated by the landlord.

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
- e. construct new building (s)
- f. computer/telephone
- g. 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

Applicant has outgrown its Pawtucket headquarters, and expects to move 230 employees to Providence and add 100+ within 5 years.

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

YES NO

Pawtucket headquarters will become available for sale or lease.

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

Approximately \$100,000 of furniture and equipment, as well as \$350,000 of telephony/cabling.

13. CONSTRUCTION SHALL BEGIN ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED

August 2004

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

YES NO

IF NO, PLEASE ADVISE AS TO WHETHER APPLICATION HAS BEEN OR WILL BE FILED WITH ZONING BOARD OF REVIEW.

Landlord to be responsible for permitting construction.

HAS HEARING BEEN SCHEDULED?

Not known

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).

ABAGUS, Inc.

By [Signature]
SIGNATURE OF APPLICANT

[Signature]
WITNESS

1020 Main Street, Pawtucket RI
ADDRESS

January 8, 2004
DATE

January 8, 2004
~~October 20, 2004~~
DATE

RECEIVED BY CITY ASSESSOR PROVIDENCE RHODE ISLAND

[Signature] DATE
1/8/04

Tangible Abaqus Inc.

Stabilization For: ABAQUS 166 Valley Street
 Date of Application: October 20, 2003 Parcels (Plat/Lot): Plat 62 Lots 282,301,393
 City Ordinance: Chapter 2002-37, No. 591 (Landmark Mill Restoration Program)

Assessment Assumptions:
 Tax Rate : of (1999) \$33.44

TANGIBLE
ASSESSMENT: \$ 2,475,320
 TAX RATE PER \$1000: \$33.44
 UNADJUSTED TAX CONCLUSIONS: \$ 82,775

Year #	Date	Assessment	% Abated	Assessment Abated	Stabilization Tax Payment	Taxes Abated	Stabilization Level Payments
1	12/31/2004	\$ 2,475,320	0%	\$ -	\$ 82,775	\$ -	\$ 82,775
Totals				\$ -	\$ 82,775	\$ -	\$ 82,775

* 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.

DEPARTMENT OF CITY CLERK



Michael R. Clement
City Clerk

Claire E. Bestwick
First Deputy

DEPARTMENT OF CITY CLERK
CITY HALL

Anna M. Stetson
Second Deputy

RESOLUTIONS AND ORDINANCES REQUESTED

Date: 10-30

Time: 10:50

Council Person Dilley 30

By Request
Not By Request

Summary: _____

~~ESTABLISHING A TAXABLE~~
TAX STABILIZATION PLAN
FOR ABAQUS, Inc.

Mike, Councilman Aponte wants
this taken off the docket. He
submitted it after Callaghan
and he is calling her. John
Simmons also was asking to
have this taken off.

Claire

Given by Epate
he is calling Joan

Taken By: AMS