

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

ORDIN: downcity

CHAPTER 1998-31

No. 368 **AN ORDINANCE** ESTABLISHING A TAX
STABILIZATION PLAN FOR THE DOWNCITY
CINEMA

Approved July 10, 1998

Be it ordained by the City of Providence:

WHEREAS, Section 21-169 of the Code of 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, Downcity Cinema, LLC is the developer of a certain cinema complex in the City's Arts and Entertainment District (the "Project") to be located on a parcel of land situated at the corner of Washington and Mathewson Streets; and

WHEREAS, Downcity Cinema, LLC has made application under, and has satisfied each condition of the above mentioned Ordinance for the benefit of the Project and the Property; and

WHEREAS, the Project will increase the tax base of the City, will increase employment opportunity in the City and provide an added attraction to the Arts and Entertainment District; and

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

Be It Ordained by the City of Providence:

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

No.

CHAPTER

AN ORDINANCE

IN CITY COUNCIL
MAY 7 1998

FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clement CLERK

THE COMMITTEE ON

Finance
~~Recommends~~ Discussion

Craig Bertwick Clerk

June 3, 1998

June 3, 1998 Public Hearing

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance, as amended

Craig Bertwick Clerk
June 11, 1998

Councilman Lombardi

SECTION 2. As long as Downcity Cinema, LLC owns or operates the Project, it will continue to pay taxes on the Property in accordance with the terms hereof. Downcity Cinema, LLC, its successors and assigns, agrees that the Property will be subject to taxation at the expiration of this tax treaty. Downcity Cinema, LLC 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. Downcity Cinema, LLC is also required, as a condition precedent to this tax treaty, to record notice of the requirement that the Property be transferred only to a tax-paying entity, as set forth herein, in the Land Evidence Records of the City of Providence. In the event that the Property is transferred to a tax-exempt entity in violation of the provisions hereof, whether by Downcity Cinema, LLC or any subsequent transferee of the property, Downcity Cinema, LLC will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes which would have been paid to the City of Providence hereunder if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein, 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 Downcity Cinema, LLC 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 Downcity Cinema, LLC's further goal to award to woman business enterprises (WBE) no less than 10% of the dollar value of the construction costs for the project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). It shall be a further goal of Downcity Cinema, LLC to achieve a minimum level of 10% for minority and 10% for female employment.

SECTION 4. In making employment decisions for the Project, Downcity Cinema, LLC shall give preferential consideration to qualified employees/applicants who reside in Providence. The parties agree that in addition to any work force which may be employed by Downcity Cinema, LLC, the company which operates the cinema complex pursuant to a lease with Downcity

Cinema, LLC will employ a minimum of seven (7) additional persons in the City of Providence.

SECTION 5. The schedule listed below is based upon information provided to the Tax Assessor by Downcity Cinema, LLC including, but not limited to, estimated construction costs. In the event any of this information is inaccurate or proves to be erroneous, this treaty shall be modified to reflect the accurate information.

SECTION 6. This treaty is conditioned upon Downcity Cinema, LLC 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. The treaty being rendered null and void would require the owner to pay all taxes and fees as due and owing as if no treaty had been approved.

SECTION 7. The Project shall have no less than 900 seats and be located on the corner of Washington and Mathewson Streets in the City of Providence. The Project shall contain at least five (5) screens, one of which shall be built with a stage area of approximately 30 feet in depth and 45 feet in width and shall: (i) also contain a stage, lighting and sound equipment for live theater, music and dance productions, (ii) contain approximately 200 seats, and (iii) be available for use by the City of Providence Film Commission and other film, arts and community theater organizations, with preference for such use being given to film, arts and community theater organizations which are based in the City of Providence. The cinema operator shall designate one of its employees to act as a liaison/scheduler for the use of said community theater by interested organizations. The Project shall also contain a coffee shop within the building. The Project shall be built in accordance with plans approved by the Downcity Design Review Committee. The movie cinema shall run new releases, classics, independent and arts films. The interior shall be similar to the plans attached as Exhibit "B", except that the stage depth shall approximately be 30 feet.

SECTION 8. The cinema operator's lease for the Project shall include a twenty-five (25) year operating covenant which will be coextensive with the operating covenant in the cinema operator's lease for the Providence Place Mall Cinema. This will ensure that the Downcity Cinema and the Providence Place Mall Cinema, operated by the same company, will run concurrently throughout the terms of the two leases.

SECTION 9. The taxes to be paid annually under this treaty shall be equal to the amounts set forth on the attached Exhibit "A."

SECTION 10. Construction of the Project will be completed on or before October 20, 1998 pursuant to the terms of the Ordinance establishing a tax stabilization plan for the Providence Place Mall passed January 10, 1996.

SECTION 11. 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, 1998 up to and including December 31, 2007 to Downcity Cinema, LLC for the Property as provided in the above-mentioned Ordinance and in accordance with the schedule in Exhibit "A."

SECTION 12. To the extent that this Ordinance is specifically inconsistent with the terms, provisions and conditions of that certain Tax Stabilization Ordinance dated January 10, 1996 and/or that certain related Tax Treaty Agreement dated October 22, 1996, the terms, provisions and conditions of this Ordinance shall control. However, otherwise all terms, provisions and conditions of the Tax Stabilization Ordinance dated January 10, 1996 shall control, including but not limited to, Section 7 of said Ordinance dated January 10, 1996.

SECTION 13. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL
JUN 18 1998
FIRST READING
READ AND PASSED
Michael S. Clement
CLERK

IN CITY COUNCIL
JUL 2 1998
FINAL READING
READ AND PASSED
Evelyn V. Fargnoli
PRESIDENT
Jim M. Anselone
CLERK

APPROVED
JUL 10 1998
Vincent A. Cianci
MAYOR

Copy

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 April 28, 1998

1. NAME & ADDRESS OF APPLICANT (IF CORPORATION/PARTNERSHIP, GIVE NAME & TITLE OF CEO FILING APPLICATION). Downcity Cinema, LLC
c/o Commonwealth Development Group
30 Exchange Terrace
Providence, RI 02903
J. Daniel Lugosch, Managing Member

2. IF APPLICANT IS LESSEE. GIVE NAME AND ADDRESS OF OWNER AND SPECIFIC TERMS OF LEASE N/A

3. LOCATION OF PROPERTY 93 Washington Street

4. ASSESSOR'S PLAT AND LOT 25 / 447

5. DATE & PURCHASE PRICE OF EXISTING PROPERTY Anticipated closing date 5/15/98
\$1,800,000

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

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.)

\$3,000,000

2 Story theater containing 6 screens and approximately 1,050 seats. Facility will also have a Cafe area. Total square footage of building footprint to be 17,900.

8. DESCRIBE EXISTING FACILITY:

OF STORIES Lot is currently used as a parking lot.

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

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

Approximately 15-20 people to staff and operate the facility.

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 _____

All furniture and equipment will be purchased by the theater operator.

13. CONSTRUCTION SHALL BEGIN _____
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED _____

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

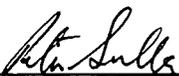
IF NO, PLEASE ADVISE AS TO WHETHER APPLICATION HAS BEEN OR WILL BE FILED WITH ZONING BOARD OF REVIEW. _____

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).



SIGNATURE OF APPLICANT



WITNESS

30 Exchange Terrace

ADDRESS

5/29/98

DATE

may 29th 1998

DATE

DOWNCITY CINEMA, LLC
30 EXCHANGE TERRACE
PROVIDENCE, RHODE ISLAND 02903



FLEET BANK OF MA, N.A.
BOSTON, MA 02109

NUMBER

1018

5-13/110

DATE

04-28-98

\$

*****300.00

PAY

THE SUM Three Hundred and 00/100

TO THE
ORDER OF CITY OF PROVIDENCE

AUTHORIZED SIGNATURE

⑈001018⑈ ⑆011000138⑆ 94065 41617⑈

	A	B	C	D	E	F
1	Year #	%Abated	Date	Taxes Pd.	Assessment Abated	Taxes Abated
2						
3	1	90%	12/31/96	22,844.06	4,300,200	137,563
4	2	80%	12/31/97	30,570	3,822,400	122,279
5	3	70%	12/31/98	45,854	3,344,600	106,994
6	4	60%	12/31/99	61,139	2,866,800	91,709
7	5	50%	12/31/00	76,424	2,389,000	76,424
8	6	40%	12/31/01	91,709	1,911,200	61,139
9	7	30%	12/31/02	106,994	1,433,400	45,854
10	8	20%	12/31/03	122,279	955,600	30,570
11	9	10%	12/31/04	137,563	477,800	15,285
12	10	0%	12/31/05	152,848		
13						
14						
15	Totals			848,224.06	21,501,000	687,817
16						
17	Total Assessment	\$4,778,000.00				

ANTHONY E. ANNARINO
CITY COLLECTOR



VINCENT A. CIANCI, JR.
MAYOR

FINANCE DEPARTMENT

CITY COLLECTOR

DATE: June 18, 1998

TO: Councilwoman Patricia Nolan
Chairwoman, City Council Finance Committee

FROM: Anthony E. Annarino
City Collector

A handwritten signature in cursive script, appearing to read "Anthony E. Annarino", is written over the printed name of the City Collector.

RE: Downcity Cinema, LLC

The City Collector has reviewed the city tax records and has certified the above referenced Downcity Cinema, LLC owes no back taxes to the City Of Providence.

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
JUN 12 1998	25	447	0000	93 WASHINGTON	17052	1

Assessed Owner THE PROVIDENCE JOURNAL CO
 PROVIDENCE JOURNAL CO *

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	02504470000	REAL	47,287.62	47,287.62	0.00	0.00	THE PROVIDENCE JOU
			47,287.62	47,287.62	0.00	0.00	

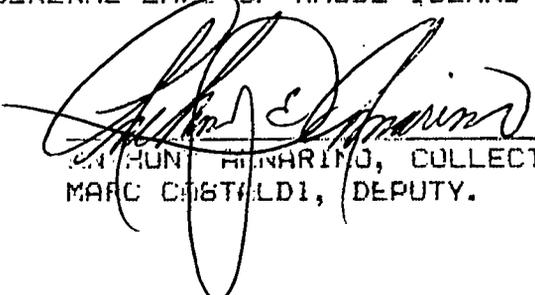
OTHER OUTSTANDING ITEMS:

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: XX
 XX
 XX



 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
JUN 12 1998	25	447	0000	93 WASHINGTON	17052	1

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 Owner PROVIDENCE JOURNAL CO

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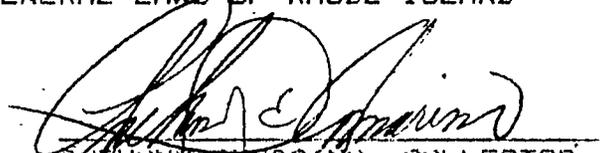
OTHER OUTSTANDING ITEMS:

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CERTIFICATION
 =====

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 BEING GIVEN IN ACCORDANCE WITH 44-7-11 OF THE GENERAL LAWS OF RHODE ISLAND
 1956, AS OF THE DATE PRINTED ABOVE.

MAILED TO: XX
 XX
 XX


 ANTHONY ANNARINO, COLLECTOR
 MARC CASTALDI, DEPUTY.

7/13 3 04 29

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
JUN 12 1998	25	447	0000	93 WASHINGTON	17052	1

Assessed Owner THE PROVIDENCE JOURNAL CO
 PROVIDENCE JOURNAL CO *

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97 02504470000	REAL	47,287.62	47,287.62	0.00	0.00	THE PROVIDENCE JOU
		47,287.62	47,287.62	0.00	0.00	

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MAILED TO: XX
 XX
 XX

[Signature]
 ANTHONY ANNARINO, COLLECTOR
 MARC CASTALDI, DEPUTY.

PROVIDENCE R.I.
 JUN 15 3 58 PM '98

EIT

FILED

JUN 12 3 26 PM '98

DEPT. OF CITY CLERK
PROVIDENCE, R. I.

EXHIBIT A

tsDowntowncinema.xls

Page 1

	A	B	C	D	E	F
1	Year #	% Abated	Date	Taxes Pd.	Assessment Abated	Taxes Abated
2						
3	1	90%	12/31/1998*	\$ 22,843	\$ -	\$ -
4	2	80%	12/31/99	\$ 30,570	\$ 3,822,400	\$ 122,279
5	3	70%	12/31/00	\$ 45,854	\$ 3,344,600	\$ 106,994
6	4	60%	12/31/01	\$ 61,139	\$ 2,866,800	\$ 91,709
7	5	50%	12/31/02	\$ 76,424	\$ 2,389,000	\$ 76,424
8	6	40%	12/31/03	\$ 91,709	\$ 1,911,200	\$ 61,139
9	7	30%	12/31/04	\$ 106,994	\$ 1,433,400	\$ 45,854
10	8	20%	12/31/05	\$ 122,279	\$ 955,600	\$ 30,570
11	9	10%	12/31/06	\$ 137,563	\$ 477,800	\$ 15,285
12	10	0%	12/31/07	\$ 152,848	\$ -	\$ -
13						
14						
15	Totals			\$ 848,223	\$ 17,200,800	\$ 550,254
16						
17	Total Assessment	\$ 4,778,000.00				
18						
19	* Actual taxes due from parcel if no Tax Stabilization plan in place, no abatement in Year One					

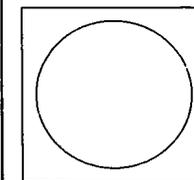
GENERAL NOTES:

OWNER
DOWNCITY CINEMA, LLC
A PROJECT OF
COMMONWEALTH DEVELOPMENT GROUP

DOWNCITY CINEMA

PROVIDENCE, RI

CONSTRUCTION DOCUMENTS



arrowstreet inc

Architects
Planners
Urban Designers

212 Elm Street
Sonserville, MA 02144
617.623.5555

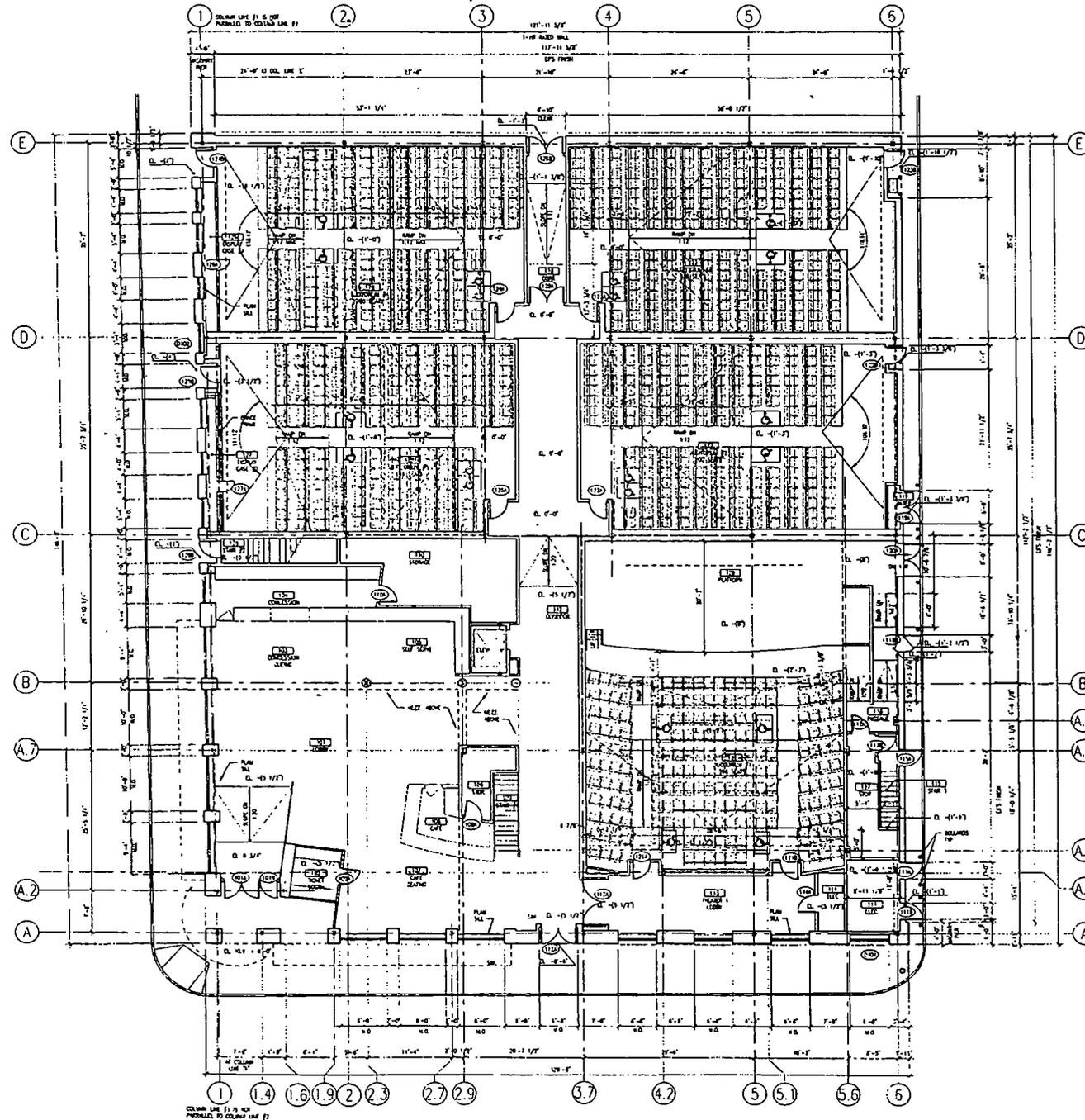
Project No: 98008
Drawn By: MYL
Checked By: KL
Issue Date: JUNE 3, 1998

Revisions	No.	Date	Description	By

Drawing Title:
**FIRST
FLOOR PLAN**

Drawing Number

A2.1

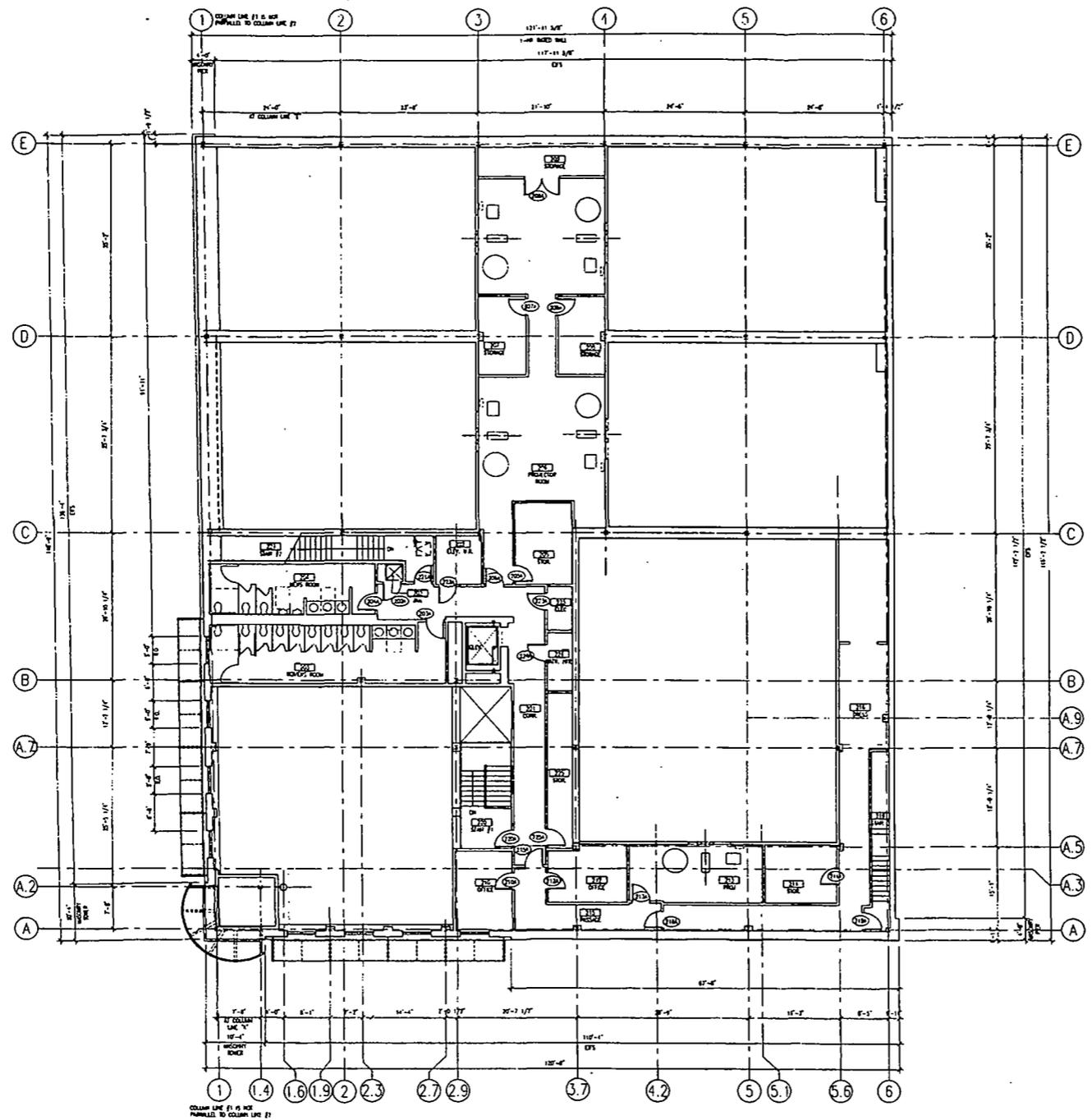


KEYNOTES:
03508.01 STEEL BOLLARD - 6\"/>

FIRST FLOOR PLAN
1/1\"/>



Copyright 1998/1999 by



SECOND FLOOR PLAN
1/8" = 1'-0"



GENERAL NOTES:

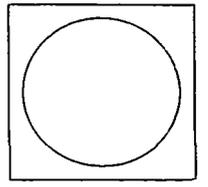
KEYNOTES:
10000 07 FIVE EXTENDED AND CLIP - WALL MOUNTED

00003
DOWNCITY CINEMA, LLC
A PROJECT OF
COMMERCIAL DEVELOPMENT GROUP

DOWNCITY CINEMA

PROVIDENCE, RI

CONSTRUCTION
DOCUMENTS



arrowstreet no

Architects
Planners
Urban Designers

312 Elm Street
Somerville, MA 02144
617.823.5555

Project No: 88000
Drawn By: MYL
Checked By: DL
Issue Date: JUNE 3, 1998

Revisions	No	Date	Description	By

Drawing Title:
SECOND FLOOR
PLAN

Drawing Number
A2.2