

RESOLUTION OF THE CITY COUNCIL

No. 300

Approved June 16, 1989

WHEREAS, the City of Providence owns that parcel of land located in the Capital Center district which is more particularly described on Exhibit A hereto (hereinafter called "Parcel 12"); and

WHEREAS, the City Council finds and determines that Parcel 12 has become unsuitable and has ceased to be used for municipal or other public purposes; and

WHEREAS, the City Assessor has appraised Parcel 12 at a current market value of Two Million Four Hundred Twenty Five Thousand Dollars (\$2,425,000).

NOW THEREFORE, BE IT RESOLVED, That the City shall sell Parcel 12 for not less than Two Million One Hundred Eighty Two Thousand Five Hundred Dollars (\$2,182,500), upon sealed bids to the highest bidder (hereinafter the "purchaser") as determined by the Committee on City Property upon the following terms, conditions and restrictions and upon such other terms and conditions, consistent with the following, as the Mayor may deem necessary or desirable:

(1) The purchaser thereof will be an organization, the interest on the obligations of which is excluded from "gross income" for purposes of federal and Rhode Island income taxation.

(2) The purchaser thereof will acquire Parcel 12 with the proceeds of such purchase money loans and pursuant to such financing arrangements as the Mayor may approve;

(3) The purchase price will be adjusted so as to permit the payment of the expenses of the sale and of the said purchase money loans;

(4) Concurrently with the purchase of Parcel 12, the purchaser thereof will enter into a lease with the City, as lessee, under which the City will lease Parcel 12 for a term which will be coincident with the term of the purchase money loans hereinbefore referred to and for a rental equal to the amount of interest, principal and other charges payable under the said purchase money loans; and

(5) The lease will provide further that upon termination of the lease or at any time prior thereto, the City may exercise an exclusive option to repurchase Parcel 12 from the purchaser at a price equal to an amount sufficient to provide for payment in full of the said purchase money loans or, alternatively, to direct the purchaser to sell Parcel 12 to such buyer and at such purchase price as the Mayor may determine, the purchaser applying the net proceeds of sale to the payment in full of said purchase money loans and remitting the balance thereof to the City; and

BE IT FURTHER RESOLVED, That the City is authorized to lease Parcel 12 from the purchaser upon the terms and conditions specified above and upon such other terms and conditions as the Mayor may deem necessary or desirable, and

BE IT FURTHER RESOLVED, That, to the extent applicable law may require, the City Council hereby approves the lease of Parcel 12 by the purchaser to the City upon the terms and conditions specified above and upon such other terms and conditions as the Mayor may deem necessary or desirable; and

BE IT FURTHER RESOLVED, That the City is authorized to obtain from the purchaser an option to purchase Parcel 12 for an amount sufficient to provide for payment in full of the said purchase money loans, and

BE IT FURTHER RESOLVED, That the City is authorized to exercise the said option and repurchase Parcel 12 for an amount sufficient to provide for payment in full of the said purchase money loans at such time and upon such other terms and conditions as the Mayor may deem necessary or desirable, and

BE IT FURTHER RESOLVED, That, to the extent applicable law may require, the City Council hereby approves, pursuant to the foregoing option, the purchaser's resale of Parcel 12 to the City or the sale of Parcel 12 to such other buyer and at such price as the Mayor may determine, at such time and upon such other terms and conditions as the Mayor may deem necessary or desirable; and

BE IT FURTHER RESOLVED That the Mayor is authorized (a) to execute and deliver on behalf of the City a deed for Parcel 12 and a lease with the purchaser thereof consistent with the provisions of this Resolution; (b) thereafter to exercise such options and other rights granted to or retained by the City pursuant to said lease and, in connection therewith to repurchase Parcel 12 from the purchaser thereof; and (c) generally to execute such other instruments or documents and take such other actions as may be necessary or desirable to implement the transactions described above; and

BE IT FURTHER RESOLVED That the net proceeds of the sale of Parcel 12, after paying or providing for the payment of the costs and expenses of sale, will be deposited in a special fund and thereafter applied in accordance with the provisions of the Providence Home Rule Charter of 1980.

A true copy,
Attest:

IN CITY COUNCIL

JUN 15 1989

READ AND PASSED, *as amended*

Michael W. Egan
PRES.

Rose M. Mendonca
CLERK

Rose M. Mendonca
City Clerk



IN CITY COUNCIL
MAY 18 1989
FIRST READING
REFERRED TO COMMITTEE ON CITY PROPERTY

Rose M. Mendonca CLERK

THE COMMITTEE ON
CITY PROPERTY

Approves Passage of
The Within Resolution

Rose M. Mendonca
Clerk Chairman

May 31, 1989

RECORDED

Councilman Glavin, Councilman Dellon
& Councilwoman Sanghvi (By Request)

EXHIBIT A

DESCRIPTION OF PARCEL NO. 12

That certain parcel of land, situated on the easterly side of Exchange Street and the southerly side of Memorial Boulevard in the City of Providence, County of Providence, State of Rhode Island and delineated as Parcel No. 12, on that plan entitled "Plan of land in Providence, R.I. surveyed for the Capital Center, surveyed and drawn by CE Maguire, Inc. Scale 1" = 40' May, 1982, Revised December, 1982; Amended April, 1986" (plan consists of three (3) sheets) bounded and described as follows:

Beginning at a point in the easterly line of Exchange Street, said point being located ten and no hundredths (10.00) feet north of its intersection with the northerly line of Exchange Terrace;

thence N 24°-51'-35" W along the easterly line of said Exchange Street a distance of one hundred seventy-four and 70/100 (174.70) feet to a point of curvature;

thence northwesterly bearing northerly and easterly along the arc of a curve having a radius of ten and no hundredths (10.00) feet a distance along said arc of nineteen and 09/100 (19.09) feet to a point of compound curvature in the southerly line of said Memorial Boulevard;

thence northeasterly bearing easterly and southerly along the arc of a curve having a radius of five hundred eighty-four and no hundredths (584.00) feet a distance along said arc and southerly Memorial Boulevard of two hundred forty and 06/100 (240.06) feet to a corner;

thence S 46°-08'-20" W a distance of two hundred fifteen and 81/100 (215.81) feet to a point of curvature;

thence southwesterly bearing westerly and northerly along the arc of a curve having a radius of ten and no hundredths (10.00) feet a distance along said arc of nineteen and 02/100 (19.02) feet to the easterly line of said Exchange Street, and the point and place of beginning.

The above described Parcel No. 12 contains an area of twenty-four thousand two hundred forty-nine (24,249) square feet of land or five hundred fifty-seven thousandths (0.557) Acres, be the same more or less.

FINANCIAL PLAN

CAPITAL CENTER

May 31, 1989

FINANCING PLAN

I. Transfer Parcel #12

- A. Transfer Parcel #12 to the PRA. PRA borrows against the appraised value of the property. (Appraisal indicates a \$2,425,000 value.)
- B. Repayment Program. Allow the PRA time to market the parcel before any payments are made. Within a two-year period the parcel should be sold, thereby paying off the borrowing.
- C. Borrowing. Anticipated to borrow through a one-year note at 6 3/4% to 7% rate. At the one-year period, either pay off the note or roll over for another year.
- D. Fiscal Impact.
 1. Current year impact will be to repay the general fund for the \$1,400,000 loan. No other funding is required.
 2. The next two years should not require any City funding if the parcel is sold. All proceeds of the sale will go to repay the loan and any excess will go to the City in accordance with the City Charter.

II. Tax Incremental Financing

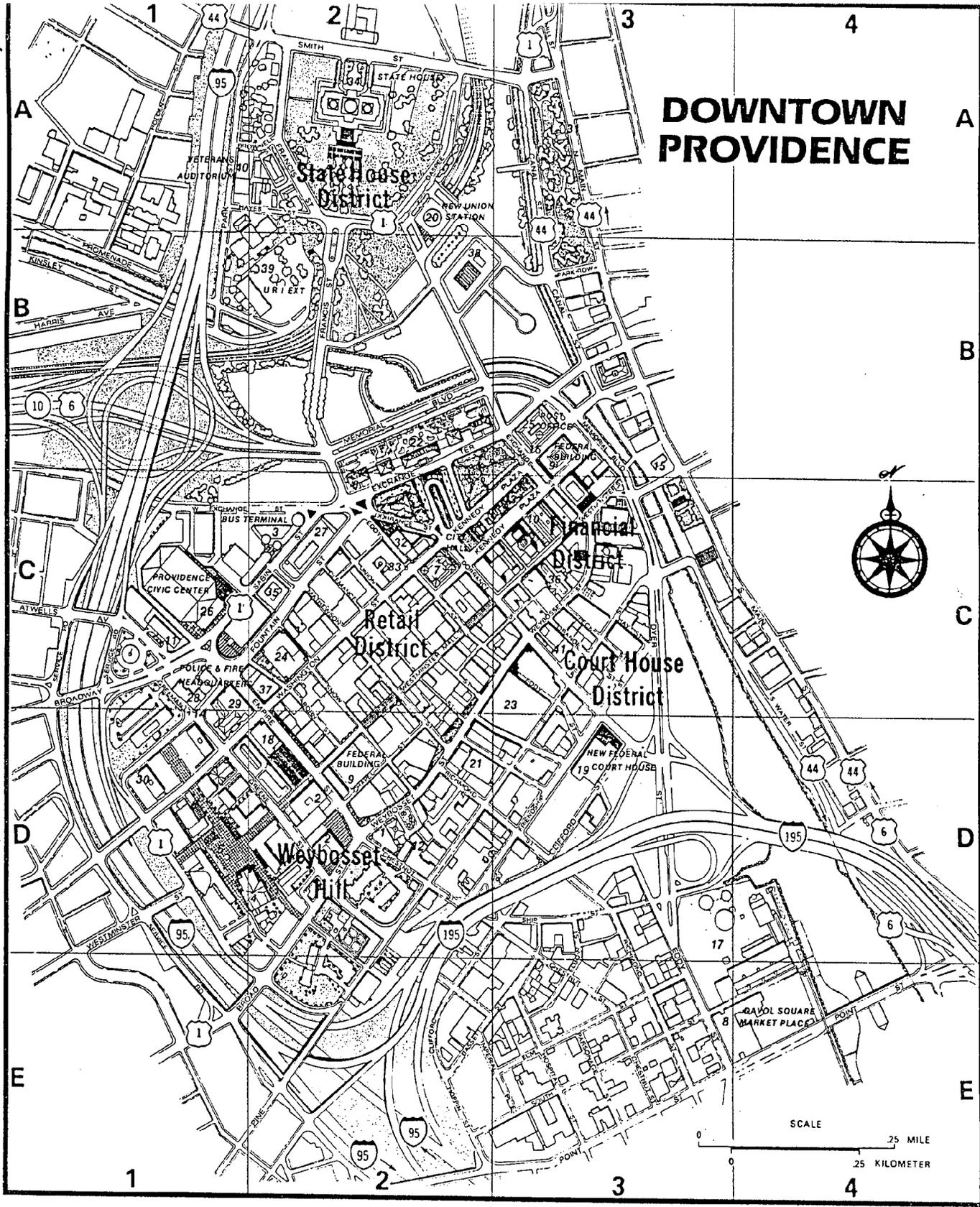
- A. It is recommended that a Tax Incremental Financing district be formed containing the Capital Center area. This form of financing has been used successfully in the City and is a positive way of using the funds generated from an area to pay for necessary capital improvements.

May 31, 1989
1782D

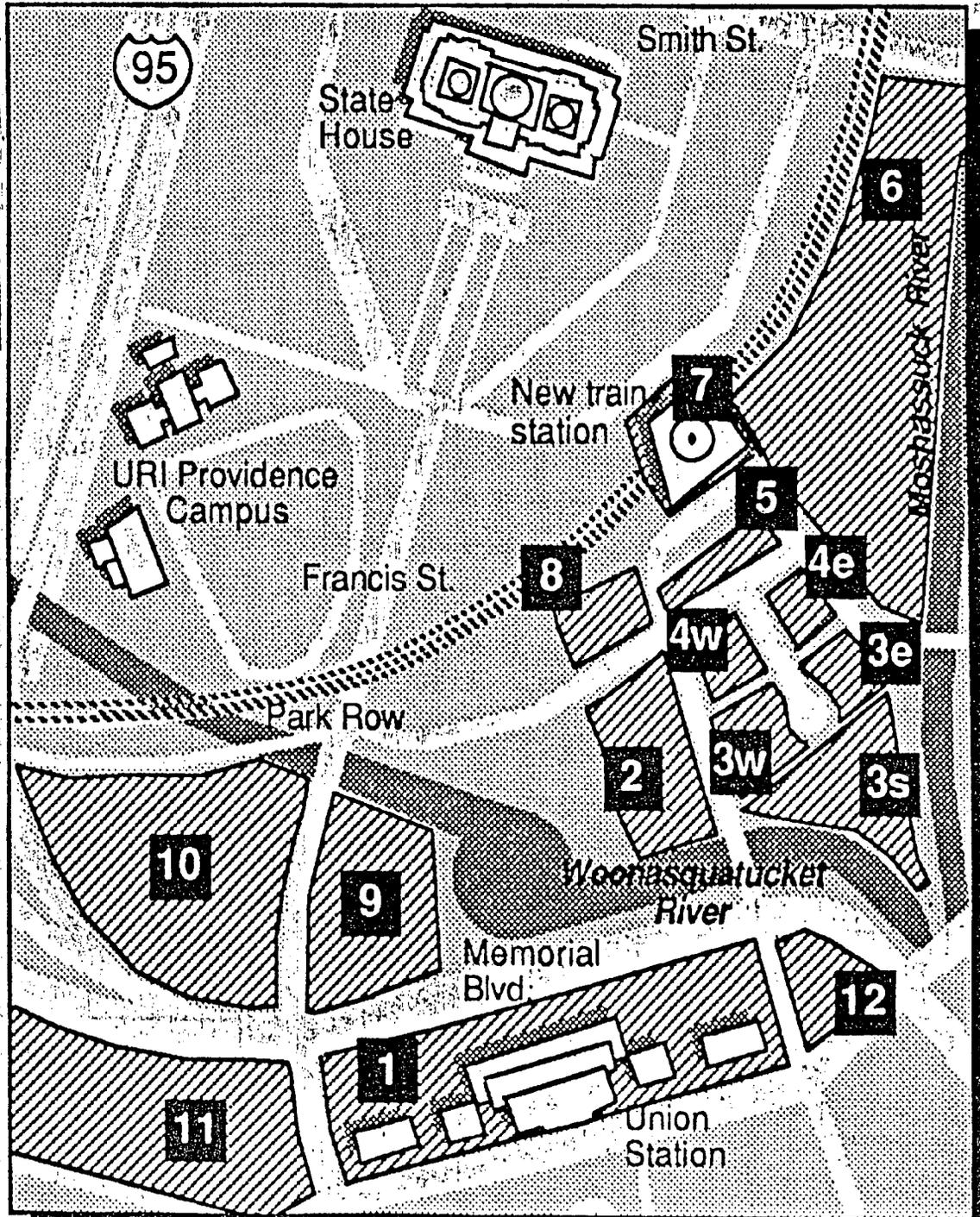
MEMORIAL BOULEVARD EXTENSION - ALTERNATE E
 ESTIMATE BY CONTRACTS WITH COST SHARING
 ASSIGNMENTS BASED ON PROJECTED PRICES
 ALL COSTS EXPRESSED IN THOUSANDS (000's) OF DOLLARS
 SCHEDULE ASSUMES DESIGN BEGINS FEBRUARY 1, 1986
 OCTOBER 28, 1985

*****INFLATION FACTORS ARE BASED ON (6%) ANNUAL INFLATION*****												
***** MBE FHWA PARTICIPATION *****												
***** MBE NON-FHWA PARTICIPATION *****												
CONTR. #	ITEM DESCRIPTION	MBE CONTR. PRICE	FHWA PARTICIPATION	FHWA FUNDS (100%)	FHWA FUNDS (85%)	STATE FUNDS (15%)	NON FHWA PARTICIPATION	STATE FUNDS (50%)	CITY FUNDS (50%)	DEM	AUTHORIZATION	CONSTRUCTION START
--	PARK ROW BRIDGE (DESIGN - CONSTRUCTION)	\$1,000	\$0	\$0	\$0	\$0	\$1,000	\$500	\$500	\$0	7/85	10/85
--	ENGINEERING (DESIGN)	\$1,620	\$1,119	\$95	\$870	\$154	\$501	\$273	\$228	\$0	1/86	N/A
--	ADMINISTRATIVE / MANAGEMENT	\$971	\$671	\$57	\$522	\$92	\$300	\$164	\$136	\$0	1/86	N/A
1	MONUMENT (REMOVE AND RE-ERECT)	\$1,487	\$0	\$0	\$0	\$0	\$1,487	\$744	\$744	\$0	4/86	7/86
2	ADVANCED UTILITIES BY-PASS ROADS, ETC.	\$1,299	\$1,199	\$0	\$1,019	\$180	\$100	\$50	\$50	\$0	7/86	10/86
--	LAND ACQUISITION	\$1,260	\$347	\$0	\$295	\$52	\$913	\$457	\$457	\$0	9/86	N/A
3	BRIDGES - STEEPLE ST., WASHINGTON ST. & EXCHANGE ST. CHANNEL CONSTRUCTION - PARTIAL RIVER WALLS VARIOUS ROADWAY	\$12,213	\$7,304	\$929	\$5,419	\$956	\$4,909	\$2,455	\$2,455	\$0	10/86	1/87
4	COLLEGE ST. VEHICLE & PEDESTRIAN BRIDGES CRAWFORD ST. PEDESTRIAN BRIDGE MEMORIAL BOULEVARD SOUTH BRIDGE, VARIOUS ROADWAY	\$5,457	\$5,307	\$0	\$4,511	\$796	\$150	\$75	\$75	\$0	5/87	8/87
5	PARTIAL RIVER WALLS & CHANNEL FILLING EXCHANGE ST. & MEMORIAL BOULEVARD NORTH BRIDGES VARIOUS ROADWAY	\$7,421	\$4,670	\$296	\$3,718	\$656	\$2,751	\$1,540	\$651	\$560	10/87	1/88
6	MEMORIAL BOULEVARD NORTH BRIDGE CRAWFORD ST. BRIDGE VARIOUS ROADWAY	\$3,487	\$3,286	\$0	\$2,793	\$493	\$201	\$101	\$101	\$0	1/89	4/89
7	PROVIDENCE RIVER CHANNEL CONSTRUCTION VARIOUS PARK VARIOUS ROADWAY	\$2,952	\$1,932	\$797	\$965	\$170	\$1,020	\$510	\$510	\$0	1/90	4/90
GRAND TOTAL		\$39,167	\$25,835	\$2,174	\$20,112	\$3,549	\$13,332	\$6,867	\$5,905	\$560		

DOWNTOWN PROVIDENCE



Capital Center land parcel plan



Urban State Business 9/12-25/88
city emerges in Downtown Providence

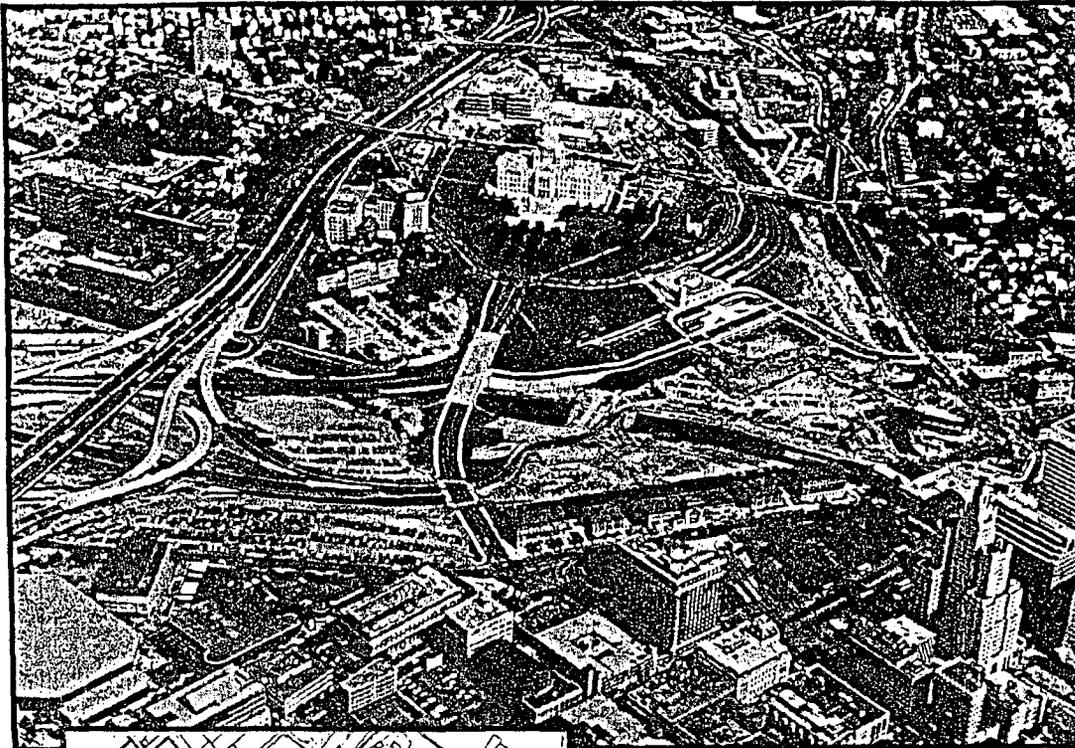


PHOTO BY AP/WIDEWORLD



Capital Center site map

Shows how the area will look when all streets and landscaping are done in 1992, and identifies development parcels by number

Status: Capital Properties says it has offered the first right of development on this parcel to the developer with whom Capital Properties is discussing the development of a parking garage over the main line. A detailed development plan has not been prepared for this site, which has a 75-foot maximum building height. Capital Properties envisions that the parcel is suited for "significant mixed-use," with both residential and commercial elements.

PARCEL 7

Size: 76,000 SF (1.74 acres)

Landowner: Capital Properties
Status: Capital Properties owns and operates a 360-car parking garage on this site.

PARCEL 8

Size: 36,000 SF (.8 acre)
Landowner: Capital Properties
Status: The Congress Group of Boston has signed a lease for the development of this parcel, and plans to start construction this fall on a 110,000-square-foot office building. Additional space will be devoted to a 150-car garage, which will be on the first floors of the building and below-grade.

PARCEL 9

Size: 72,000 SF (1.65 acres)
Landowner: City of Providence (subject to pending litigation)
Status: This parcel is being reserved for a 250,000-square-foot office building that would be part of the Providence Place commercial center. Garage parking for 400 cars also would be provided. While the city currently owns the property, an agreement between the city, state and Capital Properties requires the parcel to be transferred to Capital Properties. The state and this firm have filed suit against the city, asking that the transfer take place. Meanwhile, Capital Properties says it has an understanding with the city that Capital Properties will lease this parcel to the developer of Providence Place at competitive rates — based on the assumption that the developer of Providence Place is prepared to sign a lease on the parcel within a "reasonable" period of time.

PARCEL 10

Size: 196,000 SF (4.5 acres)
Landowner: Amtrak
Status: Amtrak is expected to agree to sell this parcel to the developer of Providence Place, giving the developer the last parcel it needs for the 15.4-acre development site. Providence Place will encompass Parcel 9, Parcel 10, the 5.9-acre property north of Parcel 10 where the URI College of Continuing Education currently is located, and the 2.3 acres of air rights over the railroad tracks that separate Parcel 10 from the URI site.
 The development is to include a 250,000-square-foot office building on Parcel 9, and a unified structure on the remain-

ing acreage that will include a 300,000-square-foot office building, a 325-room Ritz-Carlton Hotel, three upscale department stores with a total of 525,000 square feet of space, and an additional 350,000 square feet of retail space for specialty stores. The total development is to be 1,645,000 square feet in size. In addition, garages would provide parking for 4,465 cars.
 Melvin Simon & Associates of Indianapolis, the third-largest developer of shopping centers in the United States, and the affiliated Conroy Company of White Plains, New York, are the principal developers of Providence Place.
 A groundbreaking had been

slated for this year. However, it has taken the Simon group much longer than anticipated to line up the development sites, and the group still has to recruit department stores and the hotel, as well as secure financing before the developer can contemplate a groundbreaking.

PARCEL 11

Size: 179,000 SF (3.6 acres)
Landowner: Amtrak owns 98,000 square feet, and John Rao owns 60,000 square feet.
Status: The Convention Center Authority is negotiating to acquire this site for a portion of the convention center complex that is planned. The property outside of Capital Center that is currently occupied by the Bonanza bus terminal and an office building will comprise the other portion of the site.

The authority expects that a convention center with 125,000 square feet of exhibit and banquet space will be built on the Bonanza site. The center thus will be adjacent to the Providence Civic Center. On Parcel 11, the authority expects that a private group yet to be selected will develop a full-service convention hotel, as well as one or more sizable office buildings. At least 2,000 parking spaces would be provided in one or more garages, as well.

Several development groups were selected last month to draw up competing proposals for the development of the entire complex. The authority is hopeful that construction will begin by next fall on the convention center itself.

PARCEL 12

Size: 26,000 SF (.6 acre)
Landowner: City of Providence
Status: This triangular parcel next to the former Union Station will be created by the relocation of the rivers that is now taking place. As a result, construction thus could not be contemplated until the early '90s. However, the site is considered a prime location for an office building because of its proximity to the financial district.

Capital Center: On the horizon

Following is a summary of the total amount of construction that developers contemplate, plan or have under construction in Capital Center (and key adjacent parcels). Totals do not include parcels 6, 12 and a portion of 1, for which no active planning is currently under way.

MAJOR RETAIL SPACE: 875,000 SF
(Current amount of store/restaurant space downtown: about 450,000 SF)

OFFICE SPACE: 1.89 million SF
(Would roughly double the amount of Class-A space in Downtown Providence)

HOTELS: 3 hotels, 935 guest rooms
(Would double the number of hotel rooms in the city)

RESIDENTIAL: 306 luxury apartment and condominium units
(Current number of unsubsidized units: about 430)

GARAGE PARKING: 9,000 spaces
(Current number of parking garage spaces downtown: 3,445; total number of on- and off-street spaces: 14,800)

CONVENTION CENTER: Building will include 95,000 SF of exhibit space, 50,000 SF of banquet space, plus support space.

Land For Sale

2.7 Acres

Highland Industrial Park Woonsocket, RI



- Full Utilities
- Protective Covenants
- Direct Access to Interstate 99 (currently under construction)

please call:

Scott A. Gibbs

**Woonsocket Industrial
Development Corporation**

(401) 762-1730

FEATURE

Capital

Continued from page 11

in Manhattan. But DiStefano states categorically that Eder had no idea what land the P&W owned until after he took over. And the initial prospects for development did not look good, because title to much of the land was clouded by a mish-mash of claims to ownership, by railroads alive and dead.

Nevertheless, Eder assigned DiStefano the task of determining the extent of ownership claims the P&W could make. From 1966 until the early-'70s, DiStefano says, Eder's primary interest was in establishing clear title to land not needed for railroad operations that the P&W could offer as collateral in seeking loans for the railroad. Only gradually did Eder and DiStefano come to recognize that the properties in Downtown Providence might someday become valuable for commercial development.

The details of how DiStefano assembled clear title to what are now 18 acres of development parcels in Capital Center, and claims on most of the rest of Capital Center, are too complex for this article. Suffice it to say that DiStefano succeeded in making valid claims to much of this land based upon his reading of the 1892 lease agreement and a complex agreement known as the Providence Terminal Agreement of 1935. The P&W obtained additional parcels through land swaps and outright purchases in the late 1970s, at a time when Capital Center was only a concept and funding for its implementation was far from assured.

Continued on page 14

Capital Center: A new

PARCEL 1

Size: 191,000 SF (4.2 acres)
Landowner: A partnership that includes Ron Marsella, Thomas Dimeo, Dominic Zinni, James Winoker and Francis Curren.
Status: This property encompasses the five buildings that were once Union Station, as well as two development parcels on the State House side of the station that have a total of 74,000 square feet of land.

Of the five buildings, one, known as Commerce Center, has been renovated by the Greater Providence Chamber of Commerce for office use; its 25,000 square feet of space are fully occupied. Parcel One Associates has almost completed renovations on three additional buildings for office use; 25,000 square feet out of 78,000 square feet have been leased. The developer also has begun renovating the main station building for office and retail use; it has 44,000 square feet of office space. Cookson America has just signed a lease to take 33,000 square feet.

The developer has yet to commit to a final development program for the 74,000 square feet of land, and does not expect to start construction at least until 1990. However, it is expected the land will be developed for residential or residential/commercial use.

PARCEL 2

Size: 92,000 SF (2.1 acres)
Landowner: Capital Properties
Status: The Congress Group of Boston has signed a letter of intent to lease the property; it is no longer on the market. Congress plans to start construction late next year on a development that will include a 260-room, full-service Guest Quarters hotel and 90 units of upscale condos. The Beacon Companies, developer and owner of the Boston Harbor Hotel on Rowe's Wharf in Boston, will operate the Providence hotel. A below-grade parking garage will provide close to 400 parking spaces.

PARCEL 3S

Size: 48,000 SF (1.1 acres)
Landowner: Capital Properties
Status: Owner has leased the land to CFG Associates, which has begun construction of One Citizens Plaza, a 13-story, 234,000-square-foot office building that is due to be completed in a year. Citizens Financial Group will be the lead tenant in the building, which will serve as the company's corporate headquarters. A Citizens subsidiary also is a co-owner. Developer Ron Marsella and builder Harry V. Collins are also co-owners.

PARCELS 3W AND 4W

Size: 81,000 SF (1.86 acres)
Landowner: Capital Properties
Status: The Congress Group of Boston has signed a letter of intent to develop an office building on this site; it is not on the market. Capital Properties says construction would begin

by early 1991. 3W has a maximum permitted building height of 200 feet (about 15 stories), and 4W has a maximum of 75 feet. The actual size of the building depends on the market at that time, but Capital Properties says a size in the range of 300,000 square feet is envisioned, at a minimum, in a two-step building complex.

PARCELS 3E AND 4E

Size: 46,000 SF (1 acre)
Landowner: Capital Properties
Status: According to Capital Properties, a "substantial Canadian developer" is deciding whether to sign a letter of intent to lease this parcel, which is currently off the market. Because of the river-relocation project, construction could not begin before 1990. The developer, envisions a two-phase project. The first phase would be a 100,000-square-foot office building to be constructed on 4E, where there is a 75-foot height limitation. The second phase would be an office building on 3E; the square footage would depend on the market. With a 200-foot height limit, the maximum size would be in the range of 250,000 square feet.

PARCEL 5

Size: 54,000 SF (1.24 acres)
Landowner: Capital Properties
Status: Milestone Properties of Boston has signed a letter of intent, and is expected in the near future to sign a lease for the development of 216 luxury rental apartments on this site; it is off the market. Construction would begin next spring. The eight-story building will include a 450-car parking garage below grade.

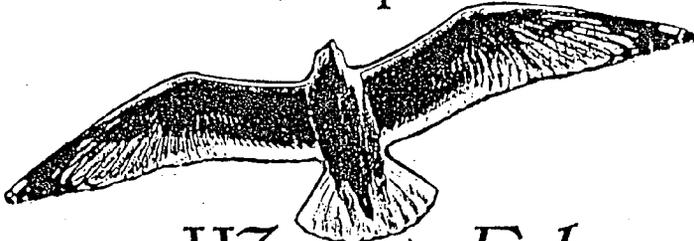
AIR RIGHTS OVER MAIN LINE

Capital Properties, which owns the air rights over the main line from Smith Street to the new Providence Station, plans to have a 1,200-car, two-level parking garage built over this section of the tracks. The garage would serve tenants in Capital Center, as well as the general downtown population. The garage also would block the tracks from view and muffle the sound of trains passing by.
Status: Capital Properties says it is engaged in discussions with a developer who would lease the air rights and develop the garage. No letter of intent has been signed, but the air rights are not on the market. Capital Properties says it hopes to have construction start in 1989, so that the garage can be ready for 1990, when the start of construction on other Capital Center parcels is expected to eliminate surface parking on these lots and create a demand for garage parking. (At present, there is surface parking on Parcels 2, 5, 6 and part of 4.)

PARCEL 6

Size: 276,000 SF (6.34 acres)
Landowner: Capital Properties

Life from a better point of view....



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Narragansett, Rhode Island

Be one of only 24 elite owners at this very private oceanfront development situated on more than 5 acres in the historic resort town of Narragansett.

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All units feature 2 bedrooms, 2 baths, fireplaces, garages and many uncommon appointments.

Occupancy beginning June '88... Good selections remaining if you act now. Route 108 South, left at Burnside Avenue, left on Ocean Road (200 yards on left).

Marathon Development Corporation

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For those who regard excellence as standard

Not all condominiums are created equal. Location, size, detailing, and the architectural style of the residence are what separate the ordinary from the extraordinary.

City View Place features an endless array of stunning amenities—lavish gourmet styled kitchen, luxurious whirlpool master bath, marbled fireplaces in the living room and master suite, marbled counter tops and foyers, plus much more.

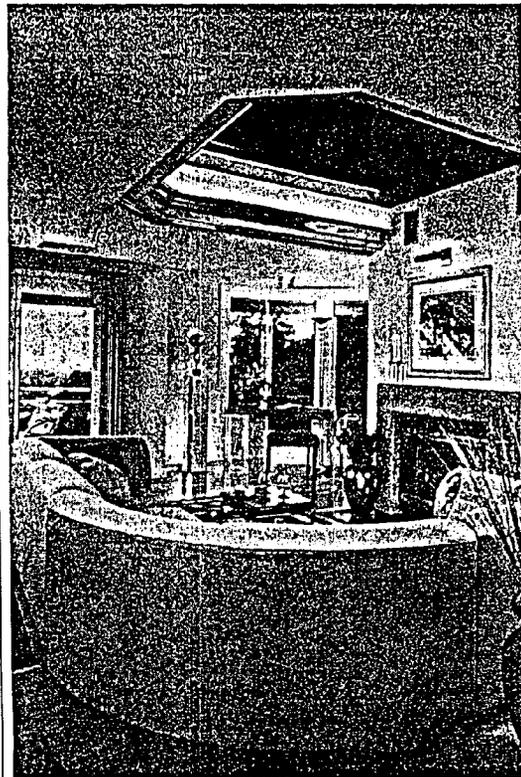
There is a difference. Come visit our models or call Sandy Yeghian at 331-4980 for an appointment.

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Mon 12-6
Tues/Wed/Thurs/Fri 12-5
Sat 12-4

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FEATURE

Capital

Continued from page 12

Other parties did not place high value on these downtown lands; the P&W risked that they would become valuable.

As planning for Capital Center accelerated after 1980, the P&W found itself in a strong bargaining position, and was able to augment its land holdings. Capital Properties, the new entity created in 1980, owned the largest share of the acreage intended for development, and the city and state governments could not afford to buy the land from Capital Properties and proceed with development on their own. Instead, all the landowners agreed to a joint development plan for Capital Center, which entailed putting off for many years any prospect of development.

In return for cooperating with the city and the state, Capital Properties has benefited greatly from the construction of the highway ramps, the new railroad right-of-way and passenger station, utility systems, local roads, parks and other landscaping that is making Capital Center a first-class commercial district. Because of its strong position, Capital Properties also

did very well in signing the Master Property Conveyance Agreement of 1982, a fat document that provided for swaps of land among the landowners. DiStefano gave away land where the relocated railroad tracks now pass, where the new railroad station stands, and where some of the new roads are located, but in return he got the remaining pieces of property he needed for Capital Properties to have 18 acres of developable land, arranged in eleven sweet parcels. As DiStefano is quick to acknowledge, Capital Properties benefited from what it gave and from what it got.

DiStefano estimates that Capital Properties' cash-outlay over the years to assemble its Capital Center stake was under \$6 million — or less than the market value of two of his best acres today. This cost includes legal fees, acquisition costs and the company's contribution of \$3.8 million towards the \$139 million cost of the Capital Center "Infrastructure." The cost of waiting — some of the parcels could have been developed a decade ago — was not significant, DiStefano says, because no one was interested in developing any overgrown acreage in the shadow of the crumbling elevated railroad.

DiStefano says it was not until late 1985 that developers started showing any serious interest in

Water Place: In the heart of Capital Center

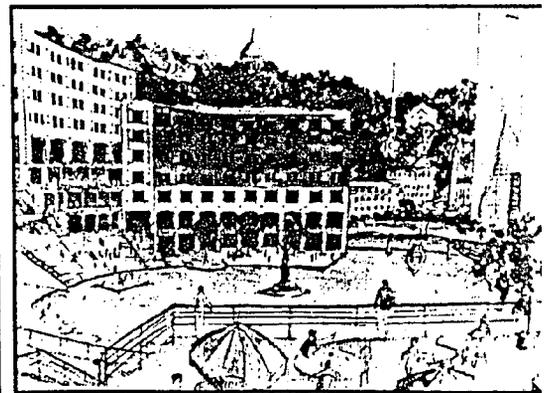
Capital Center will be much more than bricks and mortar. It will be a planned city, with individual buildings required to fit into an overall urban landscape that will exhibit harmony, create impressive vistas and shield parking garages and HVAC systems from view. A series of walking paths through the district will be created. Rivers will be uncovered, and river banks restored. And at the heart of Capital Center will be an ambitious water park, tentatively called Water Place, that, its planners hope, will be a busy place much of the year and a rallying point for a new sense of pride in the city and state.

The four-acre park is being designed by architect William D. Warner of Exeter, the man

who was most responsible for the river-relocation plan now being implemented. The Rhode Island Department of Environmental Management, sponsor of the design work, anticipates that Water Place will cost up to \$5 million and that funding will come from federal and state as well as private sources.

That's no small sum. But Warner and the DEM are intent on creating a major downtown park that Providence has never had. Water Place will be much smaller than the Public Garden in Boston or Central Park in Manhattan, but the objective is to have a similar impact: To establish a place of repose in the heart of the center of commerce.

The central feature of Water Place will be a pond created by



Capital Center. Interest has been accelerating since then. Two informed parties agree that, whereas land in Capital Center might have been worth \$50 to \$60 a square foot in '85, today it fetches \$70 to \$110. (They say that DiStefano is negotiating leases that specify a payment per square foot in the first year equal to 10 percent of the current purchase value of that square foot of land.)

DiStefano says that many factors have come together nicely to make Capital Center a goldmine for Capital Properties. Obviously the \$139 million in infrastructure, paid for primarily by the federal government, is greatly increasing land values, he says. And developer interest has risen higher and higher as each phase of construction has been finished. But DiStefano adds that the sustained prosperity that Rhode Island and the rest of New England have enjoyed, together with low interest rates, have led to a frenzy of real estate development throughout the region that benefits Capital Center as well.

Meanwhile, Boston-based developers began looking to Rhode Island for opportunities as development costs in Boston became prohibitive. They found that land costs in Capital Center, high by our standards, were low by the standards of Boston. Developers were encouraged by the residential real estate boom that

swept over Rhode Island just as it was fading in Massachusetts. And they were encouraged by news that Melvin Simon & Associates, the third-largest shopping center developer in the United States, was planning a \$400 million commercial center, known as Providence Place, in Capital Center.

All these factors have made land baron DiStefano a very popular guy among developers. DiStefano has probably talked to more big-time developers in the last three years than had looked at Rhode Island in the previous 20. This is indeed an exciting time for Eder and DiStefano, as well as for many others who have worked for years to make Capital Center a reality. Nevertheless, the flood of plans and proposals for Providence Place, for the convention center complex, as well as for several office

buildings, a hotel and luxury residential units on Capital Properties land would seem to be far more than the Rhode Island market could support.

Certainly there is strong reason to be skeptical about the prospects for doubling the number of hotel rooms in the city. This question was explored in our last issue. But it is also hard to believe that we can double the amount of Class-A office space in Downtown Providence in less than a decade. Given the costs of land at Capital Center and the extra costs of highrise construction, we can be sure that the 1.9 million square feet of office space already envisioned at Capital Center would lease at the very top of the market. Yet, as some tough-minded analysts pointed out to us, the annual increase in occupancy of Class-A space — at such prime locations

as the Fleet and Hospital Trust towers, 40 Westminster, Old Stone Square, and One Empire Plaza — typically runs at less than 100,000 square feet a year, often much less and occasionally more. This kind of performance is not going to encourage the bankers and insurance executives to underwrite too many 200,000- or 300,000-square-foot buildings more or less at the same time.

DiStefano listens patiently to this nay-saying, and replies: "The key to me is, we need to have New England staying at the top of the heap in the United States, and we need to keep the interest rates low. The rest will take care of itself."

DiStefano suggests that we think back to what Newport and Downtown Providence were like ten years ago, and to what developers and financiers thought was possible in those markets at

that time. Today, because of all that has been achieved in ten years, we believe that these markets can support a great deal more development. With the completion of the Capital Center infrastructure, and the start of construction of office buildings, hotels, apartment buildings and condos that has just begun, our working assumptions about what is possible in Downtown Providence will again move up dramatically, DiStefano says.

He acknowledges that the Rhode Island economy, on its own, will not produce enough companies willing and able to pay \$30 a square foot and up for millions of square feet of office space. However, DiStefano believes that if New England continues to remain a hot region, and interest rates remain moderate, then Providence will

Continued on page 16

opening up a stretch of the Woonasquatucket River. In the center of the pond will be a flowing fountain. Two pedestrian bridges will cross the river to either side of the pond; the bridges will be part of a network of a dozen auto and pedestrian bridges that will cross the newly uncovered rivers in the downtown. On the steep slope that rises towards the State House will be an amphitheater with rows of seats. A tall clock tower is planned; visitors will be able to walk to the top of the tower and view all of Capital Center. Also contemplated is a major visitors' center, where people can get their bearings in the city. And the DEM hopes to establish a water-taxi service that will shuttle people from Water Place to Fox Point.

Alena Pascarella, landscape architect with the DEM, is in charge of the Water Place project. She says great care is being taken to provide good access for pedestrians to the park, so that it will be frequented. Pathways will run along both banks of the Woonasquatucket River, from the Steeple Street area to Water Place. And pedestrians will be able to walk from Kennedy Plaza, under Union Station, and under the new Memorial Boulevard to Water Place. The tunnel under the boulevard will be inviting, with skylights and perhaps murals on the walls, Pascarella says.

Work will start soon on the first phase of the park. Pascarella anticipates that the park will be finished around 1991.

William E. Collins

<p>1971 The New York Times publishes the first installment of "The Pentagon Papers."</p> <p>The John F. Kennedy Center for the performing arts opens in Washington, D.C.</p> <p>George Anter joins Citizens Bank.</p>	<p>1972 Bobby Fischer beats Boris Spassky and becomes the first American world chess champion.</p> <p>The \$13 million dollar Providence Civic Center opens for its inaugural event, an American Hockey League game between the RI Reds and the Tidewater (VA) Red Wings.</p>	<p>1973 "Secretariat" wins horse racing's Triple Crown.</p> <p>The \$1,350,000 "Lederer Theater Project," a new home for the Trinity Square Repertory Company, formally opens to a capacity audience.</p>	<p>1974 President Ford grants former President Nixon a pardon for any criminal offenses committed while in office.</p> <p>1975 James R. Hoffa, former president of the International Brotherhood of Teamsters, disappears.</p>	<p>1976 Legionnaire's disease, from a bacterium of unknown origin, fatally strikes 34 at an American Legion convention in Philadelphia.</p> <p>1977 Ted Turner, skipper of the yacht "Courageous," wins his fourth straight race, ending hopes of the challenging yacht "Australia" and winning the America's Cup.</p>	<p>1978 Louise Brown, the first test-tube baby, is born in England.</p> <p>1979 A California court awards Michelle Triola \$104,000 in her "palimony" suit against Lee Marvin.</p> <p>George Anter joins Commercial Real Estate Department.</p>
<p>1980 The first women graduate from the service academies: 61 from West Point, 55 from Annapolis and 97 from the Air Force Academy.</p> <p>1981 The Pawtucket Red Sox defeat the Rochester Red Wings, 3-2 in 33 innings in the longest game in professional history.</p>	 <p>1982 The first successful artificial heart transplant is completed at the University of Utah Medical Center. The recipient was Barney C. Clark, 61.</p>	 <p>1983 The year's top craze is the Cabbage Patch doll and at Christmas many parents couldn't find one for sale at any price.</p> <p>George Anter becomes a Vice President.</p>	<p>1984 A baboon heart transplant to a human, the first operation of its kind, is performed on a 15-day-old girl, identified only as Baby Fae.</p> <p>1985 Dwight Gooden, the 20-year-old pitching phenomenon of the New York Mets, becomes the youngest major league pitcher to win 20 games in a season.</p>	 <p>1986 On April 29, Roger Clemens strikes out 20 batters, a major league record, in a Boston win over the Seattle Mariners.</p>	<p>1987 French expedition retrieves jewels and currency from the Titanic wreckage.</p> <p>1988 Mike Tyson knocks out Michael Spinks in 91 seconds to become the undisputed heavyweight champion.</p>



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CAPITAL CENTER DEVELOPMENT PROJECT

CITY OF PROVIDENCE, RHODE ISLAND

PARCEL NO. 12

By

Richard W. Jalbert SRA
One Vineyard Lane
North Providence, R.I.
Telephone 401 353-3989
353-3298

Richard W. Jalbert

RICHARD W.**JALBERT****Realtor • Appraiser**

1 VINEYARD LANE • NORTH PROVIDENCE, RHODE ISLAND 02911 • TELEPHONE 353-3989 - 353-3298



December 19, 1987

Mr. William Floriani, Assistant Director
City of Providence
Department of Planning and Development
44 Washington Street
Providence, Rhode Island 02903

Re: Appraisal
Capital Center Parcel No. 12

Dear Mr. Floriani:

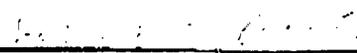
In accordance with your request, I have completed the appraisal for the proposed site in the Capital Center in the City of Providence, Rhode Island. The parcel being appraised is a commercial site containing 24,249 square feet of land area on proposed Memorial Boulevard.

The comparable sales used were commercial type land and were in the same general area. The Market Data Approach indicated a value of \$100.00 per square foot with an indicated value of \$2,425.00.

After a careful inspection of this site, it is my considered judgement and my opinion that the ESTIMATED FAIR MARKET VALUE as of December 19, 1987 was:

TWO MILLION FOUR HUNDRED TWENTY FIVE THOUSAND (\$2,425,000) DOLLARS

Very truly yours,


Richard W. Jalbert, Appraiser

SRA

*Appraisal*ASSUMPTIONS AND LIMITING CONDITIONS

1. That the legal description is assumed to be correct
2. That the title is sound and no defects in the title
3. That the surveys made by others of this property and the area from the proposed plan are assumed to be correct, including any possible easements and the fact that this parcel will be created after relocation of the two rivers.
4. That the property is free and clear of all liens.
5. No guarantee is made of the correctness of estimates of opinion furnished by others and used in making the appraisal.
6. It is assumed that this appraiser is not responsible for any hidden or unapparent subsoil or engineering conditions.
7. The appraisal does not imply the right of court testimony on the part of the appraiser without additional arrangements.
8. Certain controls and restrictions by the Capital Center Commission in the City of Providence, State of Rhode Island.

Richard W. Galbest

Appraisal

PURPOSE OF APPRAISAL

The purpose of this appraisal is to estimate the Fair Market Value of the property of the proposed site on the Southern side of Memorial Boulevard in the City of Providence, Rhode Island, also known as the Capital Center, Parcel No. 12. The land area is 24,249 square feet, is triangular in shape and the proposed sketch does not give the lot dimensions.

ZONING: C-4 Commercial

OWNER OF RECORD: City of Providence

UTILITIES: Will consist of water, sewer, gas, electric, telephone, paved street, curbing and sidewalks.

HIGHEST AND BEST USE: The Highest and Best Use would be for retail commercial use on the first floor plus commercial office space on the upper floors of a proposed building.

Height restrictions will be subject to a building proposal "with reserved height restrictions".

Richard W. Jallbert

*Appraisal*LOCATION DESCRIPTION

The subject parcel also known as Parcel No. 12 in the Capital Center Development Project is considered a choice parcel of land in the heart of downtown Providence located between Parcel No. 3, the new proposed \$28,000,000 Citizens Bank Building Parcel No. 1, the development of the new Union Station Complex and the proposed Parcel No. 11 which will include the new Hotel and large parking garage.

The value that was indicated for the Subject Parcel was based on what is taking place in the Capital Center Project plus the future development plans in the City of Providence, Rhode Island, and the scarcity of land available in the Capital Center Development Project.

Richard W. Jalkost

APPRAISER

*Appraisal*APPRAISAL PROCESS

and

SALES ANALYSIS

Several sales were checked and were analysed and adjusted to the Subject Property at arriving at the Estimated Fair Market Value of this future commercial site. Scarcity of sales in the general area that were comparable to the Subject Property. The following two proposed sales that are presently under contract were considered the most comparable to the Subject Property and arriving at the Estimated Fair Market Value.

Sale No. 1 : Considered this parcel slightly better due to size and location - adjusted minus .10% or minus \$11.25 per sq. ft. or a total adjustment equals \$101.25 per sq. ft.

Sale No. 2 : This sale was adjusted for location, considered not as good as subject location or plus .20% also adjusted for size factor plus .15% total adjustment plus .35% or plus \$24.15 per sq. ft. equals \$93.15 per sq. ft.

After an analysis of the above two proposed sales from \$93.15 to \$101.25 per sq. ft., this appraiser accepts \$100.00 per square foot as the Fair Market Price per square foot for the subject parcel.

Subject therefore is:

24,249 square feet at \$100.00 per square foot
equals \$2,424,900

ROUNDED TO SAY \$2,425,000

TOTAL MARKET VALUE \$2,425,000

Richard W. Jalkent
APPRAISER

Richard W. Jalbert

APPRAISER



LOCATION: 29 West Exchange Street, corner Gaspee Street

DEED BOOK/PAGE: None DATE: December 1987 STAMPS:

ZONE: C-4 Commercial PLAT: 19 LOT: 42 and 20

GRANTOR: John Rao, Jr. and Vena Rao

GRANTEE: Downing Associates

SALE PRICE: \$6,750,000.00 AREA: 60,005 sq. ft. UNIT PRICE: \$112.50
per s.f

COMMENTS: The above sale is presently under contract and is also known as Parcel No. 11 in the Capital Center Project
Excellent corner location in downtown Providence, R.I.

SALE NO. 2

Richard W. Jalbert
APPRAISER



LOCATION: 115 West Exchange Street

DEED BOOK/PAGE: None

DATE:

STAMPS:

ZONE: C-4 Commercial

PLAT: 19

LOT: Portion of Lot 12

GRANTOR: Amtrack

GRANTEE: Downing Associates

SALE PRICE: \$6,750,000.00 AREA: 98,351 sq. ft. UNIT PRICE \$69.00 p
S.

COMMENTS: This parcel is presently under contract adjoining
Rte. 95 and Rt. 95 connector, also known as Parcel 11
in the Capital Center Project.

*Appraisal*CERTIFICATION

I, Richard W. Jalbert, the undersigned, hereby certify that I neither have nor contemplate any personal or undisclosed interest in the property which is the subject of this report;

That I have personally inspected the premises;

That all of the data contained in this report and upon my analysis are based to the best of my knowledge, reasonably true and accurate;

That in this evaluation, I applied appraisal standards of practice, that in my opinion the Fair Market Value of the Subject Property as of December 19, 1987 is as follows:

TWO MILLION FOUR HUNDRED TWENTY FIVE THOUSAND
(\$2,425,000) DOLLARS

SRA

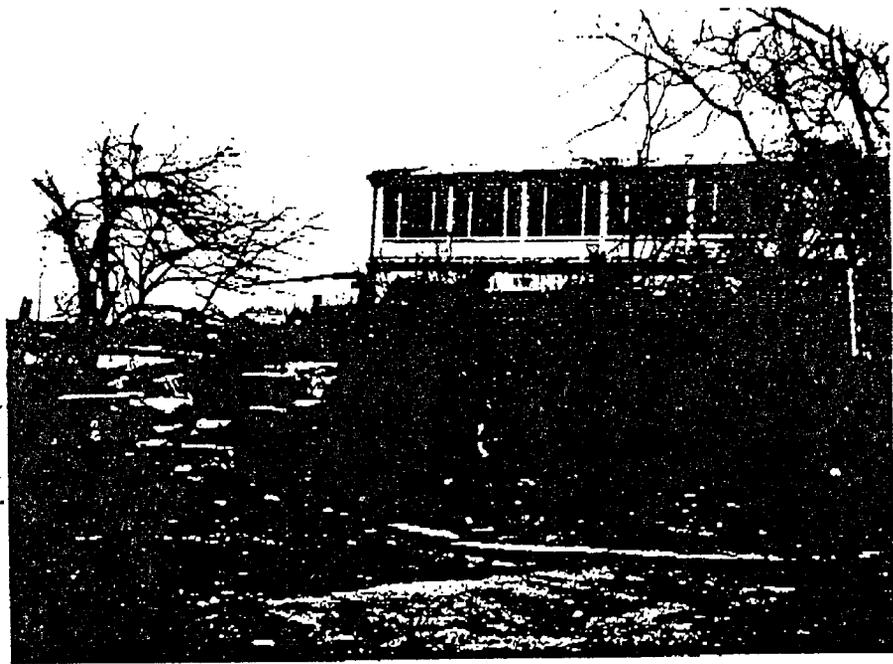
Richard W. Jalbert
Appraiser

Richard W. Jalbert
APPRAISER

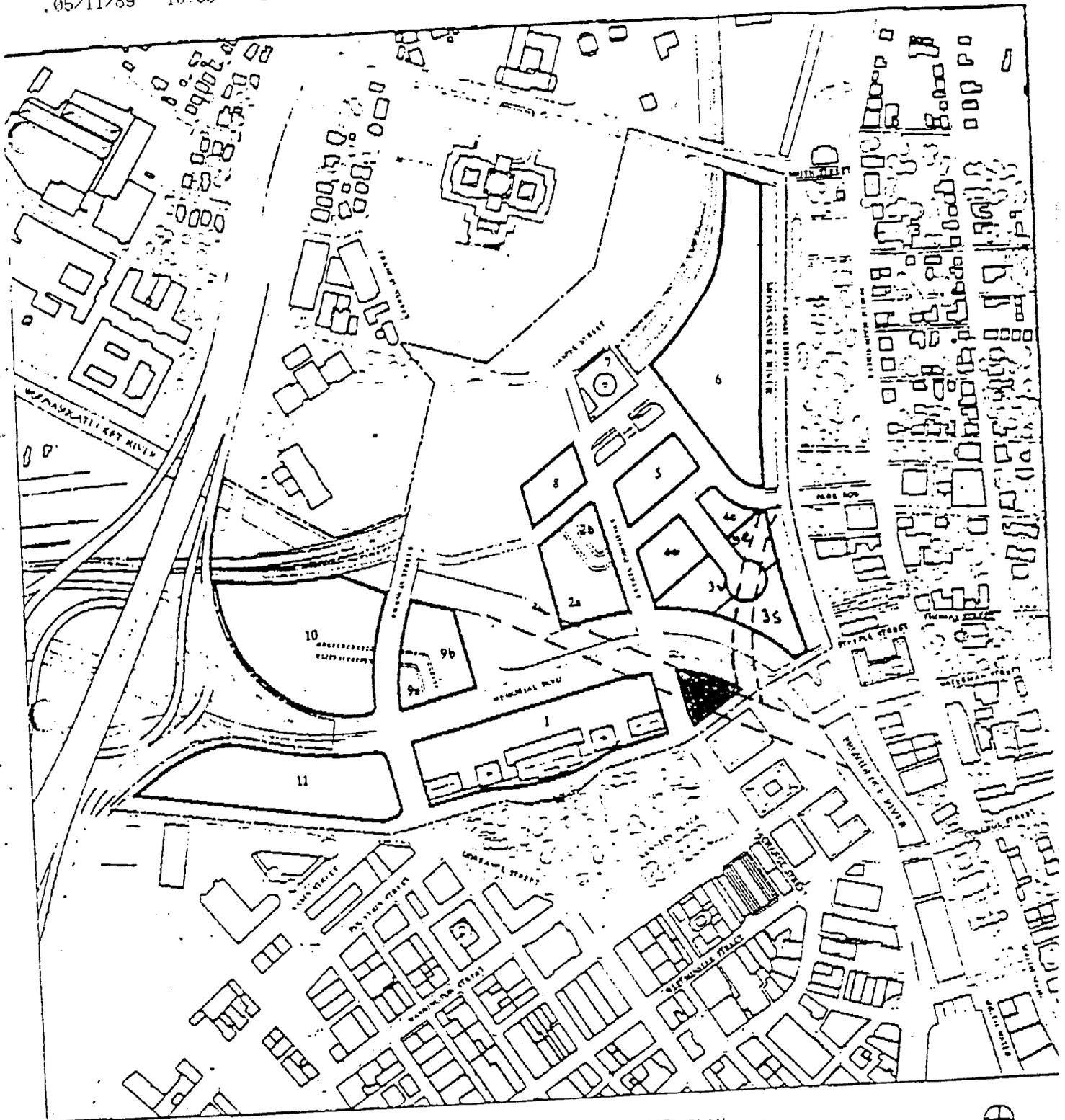
PHOTOGRAPHS OF SUBJECT PROPERTY



VIEW LOOKING SOUTH FROM
PROFESSOR MEMORIAL BLVD.



VIEW LOOKING SOUTH FROM
PROFESSOR MEMORIAL BLVD.



PROJECT BOUNDARIES AND PARCEL PLAN
 --- OLD RIVER BED



Parcel No.	Square feet	Acres
1	204,552	4.7
2	91,702	2.1
3S	48,092	1.1
3W	34,967	.8
3E	23,782	.6
4W	46,329	1.1
4E	22,360	.5

PARCEL PLAN
 CAPITAL CENTER
 10/87
 Providence, Rhode Island

Parcel No.	Square feet	A.
7	53,339	
7a	76,180	
8	36,170	
9	71,902	
10	197,386	
11	158,356	
TOTAL		1,419,219

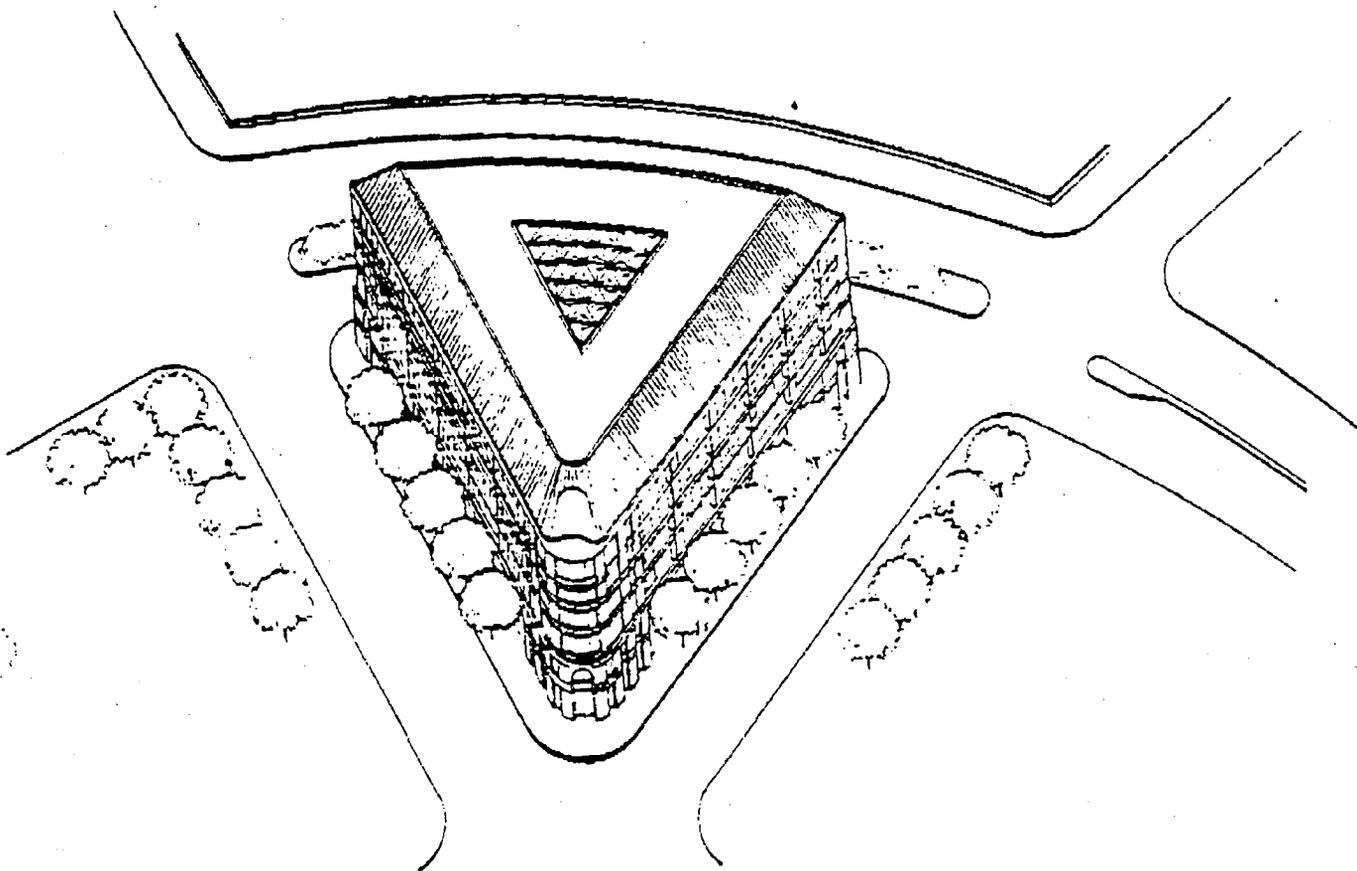
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DEPT. PLAN. & DEV

013



Capital Center

Illustrative Development

Parcel Twelve

24,249 sq

0.6 ACRE

5.12 PARCEL 12

5.12.1 Design Intent

Parcel 12 is a unique parcel, coming into existence only as the conversion of the Woonasquatucket and Moshassuck Rivers is moved to the east. This new parcel, triangular in shape, will allow development to Kennedy Plaza at its northwestern corner and will help link the Capital Center and downtown Providence.

In order to achieve this linkage, development on Parcel 12 should respect its historic and monumental neighbors. It should also defer in importance to the more intense development site, Parcels 3/4 and 10/11.

Massing of development on Parcel 12 should reinforce the visual corridor up Exchange Street to the State House dome. It should also line the Memorial Boulevard as it curves into the Memorial Square area.

5.12.2 Preferred Uses

The preferred uses for Parcel 12 are commercial office and retail.

5.12.3 Mandatory Retail Uses

A minimum of 50 percent of the linear frontage at grade along Exchange Street must be devoted to retail uses.

5.12.4 Building Edges

At the building lines along Memorial Boulevard, Steeple Street, and Exchange Street, exterior building walls shall coincide with the building line without setback for a minimum height of 40 feet.

5.12.5 Height

(Reserved.)

5.12.6 Parking

Given the size, configuration, and probable water condition of the parcel, no on-site parking is required. If parking is provided, access shall be from Steeple Street.

5.12.7 Service

Access to off-street loading docks shall be provided from Steeple Street.