

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 494

Approved November 7, 2014

WHEREAS, Paragon Mills is a 105,000 square foot mill complex that has been the subject of a revitalization effort by Olneyville Housing Corporation (OHC), in partnership with the City of Providence and others; and

WHEREAS, The project requires extensive environmental remediation, for which OHC has raised \$1.1 million, including a \$410,000 EPA Brownfields Remediation grant and a \$700,000 loan through the Rhode Island Commerce Corporation's Brownfields Clean Up Revolving Loan Fund; and

WHEREAS, Both funding sources have indicated that they cannot proceed to issue the funds until all tax liabilities on the property are cleared; and

WHEREAS, The redevelopment of Paragon Mills is central to the greater revitalization of Olneyville Square, and will create construction jobs and spur additional economic investment in this distressed neighborhood; and

WHEREAS, The Paragon Mills project will not be viable without the allocation of the \$1.1 million in brownfields remediation funds from the EPA and Rhode Island Commerce.

NOW, THEREFORE, BE IT RESOLVED, That the taxes assessed upon the Paragon Mills Complex, Assessor's Plat 62, Lot 432 (148 Delaine Street), Assessor's Plat 62, Lot 430 (160 Delaine Street), Assessor's Plat 62, Lot 443 (31 Manton Avenue) and Assessor's Plat 62, Lot 573 (39 Manton Avenue), in the amount of \$178, 761.65, including interest, are cancelled or abated in whole on behalf of the Olneyville Housing Corporation.

IN CITY COUNCIL

NOV 06 2014

READ AND PASSED


PRES.


ACTING CLERK

I HEREBY APPROVE.


Mayor

Date: 11/7/14

City of Providence Duplicate Bill

Olneyville Housing Corp
66 Chaffee St
Providence, RI 02909



ACCOUNT NO: 92220031001
LENDER:

2014 TAX DUE:	\$1,245.84
2014 INTEREST DUE:	\$49.83
PRIOR YEARS TAXES DUE:	\$3,197.26
PRIOR YEARS INTEREST DUE:	\$823.79
TOTAL AMOUNT DUE:	\$5,316.72

DESCRIPTION

REAL ESTATE											
YR	PLAT/LOT	PROPERTY LOC.	TOTAL A.	ORIG. DUE	ADJ./AB.	CHARGES.	INT.	REVERS.	REFUND	PAYMENTS	TOT. DUE
2014	062-0432-0000	148 Delaine St	\$33,900.00	\$1,245.84		\$0.00	\$0.00				\$1,245.84
										Interest as of date:	\$49.83
REAL ESTATE TOTAL:			\$1,245.84			\$0.00	\$0.00				\$1,295.67

	<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>	<u>QTR1</u>	<u>QTR2</u>	<u>QTR3</u>	<u>QTR4</u>
REAL ESTATE TAX:	\$3,197.26	\$1,245.84	\$311.46	\$311.46	\$311.46	\$311.46
TANGIBLE TAX:						
EXCISE TAX:						
TOTAL AMOUNT DUE :	\$4,021.05	\$1,295.67	\$361.29	\$311.46	\$311.46	\$311.46

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
October 17, 2014	062	0432	0000	148 Delaine St	101,320	1

ASSESSED OWNER Olneyville Housing Corp

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST	TOTAL DUE	BILL NAME
14	RE	\$1,245.84	\$0.00	\$0.00	\$0.00	\$1,245.84	\$49.83	\$1,295.67	Olneyville Housing Cor
13	RE	\$0.00	\$0.00	\$1,245.83	\$0.00	\$1,245.83	\$199.33	\$1,445.16	Olneyville Housing Cor
12	RE	\$0.00	\$0.00	\$1,300.95	\$0.00	\$1,300.95	\$364.27	\$1,665.22	Olneyville Housing Cor
11	RE	\$1,300.96	\$0.00	\$0.00	\$650.48	\$650.48	\$260.19	\$910.67	A B C Realty Company
		\$2,546.80	\$0.00	\$2,546.78	\$650.48	\$4,443.10	\$873.62	\$5,316.72	

INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED LATER THAN 30 DAYS FROM DATE.

Note:

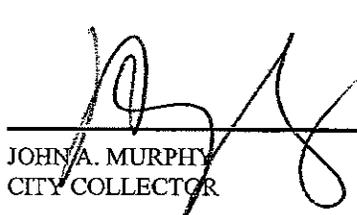
- Please be aware that unpaid taxes may be subject to tax sale.
- Please contact the Water Supply Board at 521-6300.
- Please contact the Narragansett Bay Commission at 461-8828
- Property within designated City Plat Maps known as 19, 20, 24, 25, & 26 (Downtown Providence District Management Authority) or 10,12,13 (Thayer Street District Management Authority) may be subject to an additional assessment. Please call (401) 421-4450 for payment information.

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.

Important Notice: Upcoming tax bill will be assessed as of December 31st in seller's name. It is the responsibility of the buyer/new homeowner to request a copy of the bill from the Tax Collector's office.

MAILED TO: City Solicitor's Office
 City Hall
 Providence R.I. 02903



 JOHN A. MURPHY
 CITY COLLECTOR

MARIA MANSOLILLO
 ASSISTANT COLLECTOR

City of Providence Duplicate Bill

Olneyville Housing Corp
66 Chaffee St
Providence, RI 02909



ACCOUNT NO: 92220031001
LENDER:

2014 TAX DUE:	\$1,146.60
2014 INTEREST DUE:	\$45.86
PRIOR YEARS TAXES DUE:	\$2,300.55
PRIOR YEARS INTEREST DUE:	\$506.58
TOTAL AMOUNT DUE:	\$3,999.59

DESCRIPTION

REAL ESTATE											
YR	PLAT/LOT	PROPERTY LOC.	TOTAL A.	ORIG. DUE	ADJ./AB.	CHARGES.	INT.	REVERS.	REFUND	PAYMENTS	TOT. DUE
2014	062-0430-0000	160 Delaine St	\$31,200.00	\$1,146.60		\$0.00	\$0.00				\$1,146.60
										Interest as of date:	\$45.86
REAL ESTATE TOTAL:				\$1,146.60		\$0.00	\$0.00				\$1,192.46
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>			<u>QTR1</u>	<u>QTR2</u>	<u>QTR3</u>	<u>QTR4</u>	
REAL ESTATE TAX:			\$2,300.55	REAL ESTATE TAX:			\$1,146.60	\$286.65	\$286.65	\$286.65	\$286.65
TANGIBLE TAX:				TANGIBLE TAX:							
EXCISE TAX:				EXCISE TAX:							
TOTAL AMOUNT DUE :			\$2,807.13	TOTAL AMOUNT DUE :			\$1,192.46	\$332.51	\$286.65	\$286.65	\$286.65

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
October 17, 2014	062	0430	0000	160 Delaine St	101,321	1

ASSESSED OWNER Olneyville Housing Corp

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST	TOTAL DUE	BILL NAME
14	RE	\$1,146.60	\$0.00	\$0.00	\$0.00	\$1,146.60	\$45.86	\$1,192.46	Olneyville Housing Cor
13	RE	\$0.00	\$0.00	\$1,146.60	\$0.00	\$1,146.60	\$183.46	\$1,330.06	Olneyville Housing Cor
12	RE	\$0.00	\$0.00	\$1,153.95	\$0.00	\$1,153.95	\$323.11	\$1,477.06	Olneyville Housing Cor
		<u>\$1,146.60</u>	<u>\$0.00</u>	<u>\$2,300.55</u>	<u>\$0.00</u>	<u>\$3,447.15</u>	<u>\$552.43</u>	<u>\$3,999.58</u>	

INTEREST SHOWN IS VALID FOR 30 DAYS FROM DATE ISSUED. ADDITIONAL CHARGES MAY APPLY IF PAYMENT IS RECEIVED LATER THAN 30 DAYS FROM DATE.

Note:

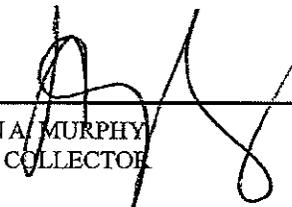
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 MARIA MANSOLILLO
 ASSISTANT COLLECTOR

City of Providence Duplicate Bill

Olneyville Housing Corp
66 Chaffee St
Providence, RI 02909

AC92220031001

ACCOUNT NO: 92220031001
LENDER:

2014 TAX DUE:	\$657.84
2014 INTEREST DUE:	\$26.31
PRIOR YEARS TAXES DUE:	\$1,675.81
PRIOR YEARS INTEREST DUE:	\$390.28
TOTAL AMOUNT DUE:	\$2,750.24

DESCRIPTION

REAL ESTATE											
YR	PLAT/LOT	PROPERTY LOC.	TOTAL A.	ORIG. DUE	ADJ./AB.	CHARGES.	INT.	REVERS.	REFUND	PAYMENTS	TOT. DUE
2014	062-0443-0000	31 Manton Ave	\$17,900.00	\$657.84		\$0.00	\$0.00				\$657.84
REAL ESTATE TOTAL:				\$657.84		\$0.00	\$0.00			Interest as of date:	\$26.31
											\$684.15
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>			<u>QTR1</u>	<u>QTR2</u>	<u>QTR3</u>	<u>QTR4</u>	
REAL ESTATE TAX:			\$1,675.81	\$657.84			\$164.46	\$164.46	\$164.46	\$164.46	
TANGIBLE TAX:											
EXCISE TAX:											
TOTAL AMOUNT DUE :			\$2,066.09	\$684.15			\$190.77	\$164.46	\$164.46	\$164.46	\$164.46

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
October 17, 2014	062	0443	0000	31 Manton Ave	101,322	1

ASSESSED OWNER Olneyville Housing Corp

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

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14	RE	\$657.84	\$0.00	\$0.00	\$0.00	\$657.84	\$26.31	\$684.15	Olneyville Housing Cor
13	RE	\$0.00	\$0.00	\$657.83	\$0.00	\$657.83	\$105.25	\$763.08	Olneyville Housing Cor
12	RE	\$0.00	\$0.00	\$1,017.98	\$0.00	\$1,017.98	\$285.03	\$1,303.01	Olneyville Housing Cor
		\$657.84	\$0.00	\$1,675.81	\$0.00	\$2,333.65	\$416.59	\$2,750.24	

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Note:

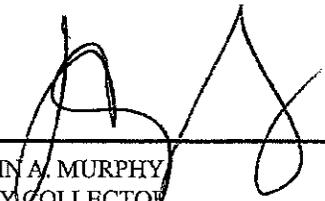
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City of Providence Duplicate Bill

Olneyville Housing Corp
66 Chaffee St
Providence, RI 02909



ACCOUNT NO: 92220031001
LENDER:

2014 TAX DUE:	\$47,870.28
2014 INTEREST DUE:	\$1,914.81
PRIOR YEARS TAXES DUE:	\$95,823.79
PRIOR YEARS INTEREST DUE:	\$21,086.23
TOTAL AMOUNT DUE:	\$166,695.11

DESCRIPTION

REAL ESTATE											
YR	PLAT/LOT	PROPERTY LOC.	TOTAL A.	ORIG. DUE	ADJ./AB.	CHARGES.	INT.	REVERS.	REFUND	PAYMENTS	TOT. DUE
2014	062-0573-0000	39 Manton Ave	\$1,302,592.00	\$47,870.28		\$0.00	\$0.00				47,870.28
										Interest as of date:	\$1,914.81
REAL ESTATE TOTAL:			\$47,870.28			\$0.00	\$0.00				49,785.09
			<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>			<u>QTR1</u>	<u>QTR2</u>	<u>QTR3</u>	<u>QTR4</u>	
REAL ESTATE TAX:			\$95,823.79	\$47,870.28			\$11,967.57	\$11,967.57	\$11,967.57	\$11,967.57	
TANGIBLE TAX:											
EXCISE TAX:											
TOTAL AMOUNT DUE :			\$116,910.02	\$49,785.09			\$13,882.38	\$11,967.57	\$11,967.57	\$11,967.57	

MUNICIPAL LIEN CERTIFICATE
 CITY OF PROVIDENCE - OFFICE OF THE COLLECTOR
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DATE	PLAT	LOT	UNIT	LOCATION	CERT #	PAGE
October 17, 2014	062	0573	0000	39 Manton Ave	101,323	1

ASSESSED Olneyville Housing Corp
 OWNER

STATUS OF REAL ESTATE BILL AS OF DATE PRINTED

YR	TYPE	ORIGINAL TAX	CHARGE	ADJUSTMENT ABATEMENT	PAID	BALANCE DUE	INTEREST	TOTAL DUE	BILL NAME
14	RE	\$47,870.28	\$0.00	\$0.00	\$0.00	\$47,870.28	\$1,914.81	\$49,785.09	Olneyville Housing Cor
13	RE	\$43,581.00	\$300.00	\$3,989.26	\$0.00	\$47,870.26	\$7,659.24	\$55,529.50	Olneyville Housing Cor
12	RE	\$43,580.96	\$300.00	\$4,072.57	\$0.00	\$47,953.53	\$13,426.99	\$61,380.52	Olneyville Housing Cor
		\$135,032.24	\$600.00	\$8,061.83	\$0.00	\$143,694.07	\$23,001.04	166,695.11	

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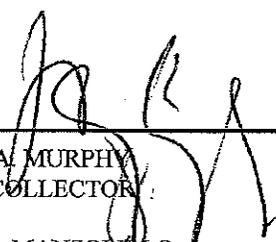
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 JOHN A. MURPHY
 CITY COLLECTOR

 MARIA MANSOLELLO
 ASSISTANT COLLECTOR

Olneyville Housing Corporation

Request for City Council Action
Abatement / Forbearance of Real Estate Taxes
February 12, 2014

Please accept this letter as a formal request for City Council Action to abate real estate taxes related to the Paragon Mills property located in the Olneyville section of Providence. The City Council's authority to take the requested action is found in RIGL 44-3 §9.

The subject property consists of 4 separately platted parcels. Olneyville Housing Corporation (OHC) is seeking City Council action on the complex in its entirety.

Paragon Mills Complex				
Address	Plat	Lot	Assessed Val	Comments
148 Delaine St	62	432	\$28,600	Parking
160 Delaine St	62	430	\$31,200	Parking
31 Manton Ave	62	443	\$17,900	Parking
39 Manton Ave	62	573	\$1,561,000	Mill Buildings

Background

The Paragon Mills complex is a collection of 13 attached and detached former textile mill buildings located in immediate proximity to Olneyville Square. The buildings were constructed over a 60 year period between 1890 and 1950. Textile production at the facility ended in the 1950s and the complex was then used for a braiding operation (ArtCraft Braid) until those operations ceased in 2007. The facility fell into disuse at that point and its physical deterioration began to accelerate.

OHC purchased the Paragon Mills complex in November 2011 with the intention to commence a full and historically-appropriate adaptive rehabilitation in the fall of 2012. The rehabilitation of this complex will stabilize the neighborhood tax base, create significant employment opportunities for neighborhood residents, facilitate the presence of new personal purchasing power within close proximity of the Olneyville Square commercial district, and act as an example of investment in the industrial core of a neighborhood too long characterized by disinvestment.

Subsequent to the complex's acquisition by OHC, the organization identified to be our anchor tenant withdrew its interest. The loss of this ~50,000 sf tenant led those entities slated to provide construction and permanent financing for the project to place their commitments on hold. While OHC has renewed

and intensified its efforts to find a replacement anchor tenant, we have not yet been successful and are, therefore, unable to avail ourselves of the construction financing necessary to begin the planned rehabilitation. While the current property is partially occupied (~20%), the rental revenue from the occupied spaces barely covers facility operating costs and cannot support real estate tax payments at this time. The majority of the unrented space is virtually unrentable given its degradation and/or inaccessibility.

Therefore, OHC hereby requests the City Council to abate all outstanding real estate taxes on the Paragon Mills complex and to continue this abatement until such replacement tenant is identified and the closing of construction financing takes place.

Statutory Requirements

RIGL 44-3 §9 allows the City Council to: “exempt from payment, in whole or in part, real and personal property...” or to “determine a stabilized amount of taxes to be paid on account of the property, notwithstanding the valuation of the property or the rate of tax...” so long as the Council makes certain affirmative findings of fact. Specifically, the City Council may find that:

Granting of the exemption or stabilization of taxes will inure to the benefit of the city or town by reason of the willingness of a manufacturer or commercial or residential firm **or property owner** to construct new or to replace, **reconstruct**, convert, expand, retain, or **remodel existing buildings, facilities**, fixtures, machinery, or equipment **resulting in an increase or (sic) maintenance in plant**, residential housing **or commercial building investment** by the firm or property owned in the city of town.
RIGL 44-3 §9 (a)(ii) (**emphasis added**)

Additionally, the City Council is also empowered to abate or stabilize real estate taxes in the event it is able to find that such an abatement or stabilization will result in:

An improvement which converts or makes available land or facility **that would otherwise be not developable or difficult to develop without substantial environmental remediation.**
RIGL 44-3 §9 (a)(1)(i)(D) (**emphasis added**)

OHC believes the Paragon Mills property meets both of the criteria listed above.

Improvement of Physical Plant / Increase in Commercial Building Investment

OHC is planning a full historical rehabilitation of the subject property estimated to cost ~\$20m. This rehabilitation will be partially financed through federal and state historic preservation tax credit equity

(state credits were reserved in 2008) and conceptual renovation plans have already been approved by the Rhode Island Historic Preservation Commission. Additionally the project has received pre-reservation status from entities allocating New Markets Tax Credits.

The presence of a fully rehabilitated and architecturally revitalized Paragon Mills will contribute significantly to the “improvement of physical plant” of Olneyville and a stabilization of its tax base. The reconstruction of this facility will allow for a repositioning of Paragon Mills as an adaptively-reused, mixed-use complex intended to provide code-compliant and affordably-priced space for commercial, light-industrial / assembly, and creative economy / craftsman pursuits, and will provide employment opportunities appropriate to the skill-sets of neighborhood residents. OHC estimates that the remediation and renovation of Paragon Mills will create 210 permanent jobs by assuming that 1.5 jobs will be created for each 1000 sf of industrial space and that 4 new jobs will be created for every 1000 sf of office space. Additionally, OHC has estimated that 76 temporary construction jobs shall result from this project by using reasonable metrics informed by our construction partner (Gilbane Construction). The \$20m investment in facility rehabilitation, the associated stabilization of an eroding facility, the stabilization of Olneyville’s tax base, and the creation of employment opportunities clearly will provide a “long-term economic benefit to the city and the state.”

Improvement Making a Facility Available That Requires Remediation

The Paragon Mills site meets the U.S. EPA’s definition of a Brownfield and has been subject to significant environmental investigation over the past half-decade. A summary of that investigatory work is included below:

Environmental Assessment Activity			
Type		Prepared By	Date
Phase I		Woodard & Curran	June-09
Site Investigation Report		Woodard & Curran	December-10
Phase I (update)		Woodard & Curran	October-11
Remedial Action Work Plan		Woodard & Curran	September-13
Remedial Decision Letter		RIDEM	October-13

The recently completed Remedial Action Work Plan (RAWP) for Paragon Mills indicates the need to perform ~\$940,000 of environmental work to bring the property to RIDEM standards for commercial use. Significantly, the present facility is heated by two 110hp oil-fired boilers fed from what appears to

be a leaking underground storage tank. Absent a full rehab and remediation, this condition will persist as will the potential for further release.

As a 501(c)3 non-profit, OHC is eligible to apply for (and has applied for) an EPA Brownfield Clean-up grant to partially fund the remediation of the Paragon site. Additionally, OHC has received a loan commitment from the RIEDC brownfields revolving fund. Therefore, in line with the requirements of RIGL 44-3-9 (a) (1) (i) (d), it can be said that the completed project will: “make available land or facility (sic) that would otherwise not be developable... without substantial environmental remediation.”

Council Action Requested

OHC’s real estate tax obligations associated with the Paragon Mills complex are presented below (with amounts confirmed as of February 11, 2014):

Paragon Mills Complex Tax Obligation Analysis							
		Current Year		Previous Year			
<i>Address</i>	<i>Plat-Lot</i>	<i>Tax Due</i>	<i>Interest Due</i>	<i>Tax Due</i>	<i>Interest Due</i>	<i>Totals</i>	
148 Delaine	62-432			\$650	\$208	\$	858
160 Delaine	62-430					\$	-
31 Manton	62-443					\$	-
39 Manton	62-573	\$43,581	\$3,486	\$43,881	\$8,776	\$	99,724
Total Obligation						\$	100,582

OHC hereby requests the following City Council action(s);

- the abatement of ½ of the outstanding real estate tax principal (\$44,056)
- the abatement of all interest charges (\$12,262)
- the suspension of tax accrual (both principal and interest) until the closing of construction financing

It is understood that the unabated portion of OHC’s Paragon Mills tax obligation (\$44,056) will be settled at the close of construction financing. Absent the requested treatment, OHC will be unable to operate the facility on an interim basis as its operating income does not support operations (heat, insurance, maintenance) and taxes.