

CHAPTER 2001-1

No. 1 **AN ORDINANCE** IN AMENDMENT OF CHAPTER 21 OF ARTICLE VII ENTITLED "TAX STABILIZATION FOR INDUSTRIAL PROPERTY" OF THE CODE OF ORDINANCES OF THE CITY OF PROVIDENCE

Approved January 12, 2001

Be it ordained by the City of Providence:

SECTION 1. Chapter 21 of Article VII of the Code of the Ordinances of the City of Providence, is amended by adding the following:

21-170. Downcity Tax District.

The City Council has the authority under the General Laws of the State of Rhode Island to create a Downcity Tax District to provide special tax considerations for designated properties within the district, as defined below. Private investment is needed to rehabilitate and construct buildings as well as to introduce economically viable uses to the area, but investment has been insufficient because of the high cost of renovation and difficulty in obtaining commercial tenants. It is therefore in the public interest to provide property tax incentives for owners of under-utilized property in the Downcity district in order that there may be substantial rehabilitation of the properties and attract new residential, commercial and institutional uses. It is also in the public interest to offer these incentives for a limited duration.

Eligible Property. Eligible properties shall be taxable properties located within the area bounded by Dorrance, Pine, Empire and Sabin Streets within the City of Providence; and shall have been more than fifty percent (50%) vacant as of December 31, 1999 or, although more than fifty percent (50%) occupied, shall be eligible if

No.

CHAPTER

AN ORDINANCE IN AMENDMENT OF
CHAPTER 21 OF ARTICLE VII ENTITLED
"TAX STABILIZATION FOR INDUSTRIAL
PROPERTY" OF THE CODE OF ORDINANCES
OF THE CITY OF PROVIDENCE

IN CITY COUNCIL

Oct. 5 2000

FIRST READING

REFERRED TO COMMITTEE ON
FINANCE

Michael R. Clement

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Ordinance

Barbara A. Garrison
Clerk
11/15/2000

certified by the city Building Inspector as in need of substantial rehabilitation.

Buildings demolished after December 31, 1999 shall be ineligible. Properties already vacant as of this date shall be eligible if the owners construct new structures, including parking garages.

Property taxes levied on eligible properties as of December 31, 2000 shall reflect the adopted tax considerations. Owners of eligible properties are required to begin renovations by December 31, 2003 in order to qualify for continued tax considerations. Properties that fail to meet this deadline will be required retroactively to pay the difference between their actual tax payments and what they would have paid if ineligible for the specified tax considerations.

Substantial rehabilitation shall mean rehabilitation that adheres to the applicable building and fire codes, extends to all occupiable floors of the building, and equals at least fifty percent (50%) of the current replacement value of the structure, as certified by the city Building Inspector.

Tax Considerations. The City of Providence shall provide tax considerations for a period beginning with the assessments of December 31, 2000 up to and including December 31, 2010. During this period, eligible properties shall pay annual taxes on land and buildings in an amount equal to the tax assessed as of December 31, 1998. This tax shall be fixed regardless of changes in the tax rate, or of changes in valuation resulting from periodic revaluation. During this period of eligibility, the tax shall be fixed regardless of increased property value resulting from substantial rehabilitation.

During the period of eligibility, the City of Providence shall also use special considerations in taxing tangible property located in businesses in eligible properties. This tax consideration shall not be available for any business relocating from another area of the city of Providence unless that business has been involuntarily relocated or has been

relocated as a result of a catastrophic occurrence. This shall apply, however, to expansion projects by businesses already located within this area. For the ten year period, the rate of thirty-three dollars and forty-four cents (\$33.44) shall be applied annually to tangible property value as it is determined and any change from year to year. This consideration shall apply to all taxable businesses occupying eligible properties during the period of eligibility, regardless of when they first occupied the property.

Transfer of exempt or stabilized property. Tax benefits for eligible properties shall be transferable to new owners or tenants, but the life of the tax consideration shall not be extended.

Other Considerations. This section shall not diminish the authority of any body to review and approve the construction plans for overall appearance or historical preservation standards. This section shall not limit or otherwise preclude the city council from also exempting or stabilizing taxes on properties which would otherwise be permitted by the General Laws of the State of Rhode Island or by this code of ordinances, including but not limited to section 21-169. In the event another exemption or stabilization program is applied to the eligible property, the annual taxes on land and buildings would be the amount equal to the tax assessed as of December 31, 1998 and that will serve as the assessed valuation of the property from which the abatement shall be computed.

Forms and Procedure. The City Assessor shall develop forms and procedures as he or she deems necessary and proper. The procedure for eligible properties under this section shall be the same as in section 21-169(b)(1).

Revocation. The City Council shall terminate an exemption granted hereunder prior to the expiration thereof in the event of fraud or misrepresentation by an applicant regarding any statements or representations contained in the application.

SECTION 2. This Ordinance shall take effect upon passage.

IN CITY COUNCIL
DEC 14 2000
FIRST READING
READ AND PASSED

Michael R. Clement CLERK

APPROVED

JAN 12 2001
Vincent A. Quina
MAYOR

#2 Submitted
2000 -- 11/15/2000

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2000

A N A C T

RELATING TO THE DOWNCITY SECTION OF PROVIDENCE

00-S 2688

Introduced By: Senators Roney, Ruggerio, Igliazzi,
Perry, Goodwin, et al.

Date Introduced: February 10, 2000

Referred To: Senate Committee on Finance

It is enacted by the General Assembly as follows:

1 SECTION 1.

2 WHEREAS, The Downcity section of Providence is an important state resource because
3 of the high quality of its architecture, the important role that it has played in the history of the
4 state, and the proximity of Downcity to the Capital Center and other areas of major investment;
5 and

6 WHEREAS, Downcity is the home of such important institutions as Trinity Repertory
7 Company, Johnson & Wales University, the Providence Performing Arts Center, the University
8 of Rhode Island's Providence Campus, Roger Williams University's Providence Campus, the
9 Rhode Island School of Design, the Rhode Island Convention Center and the Westin Hotel, both
10 of which the state has a substantial investment in; and

11 WHEREAS, In recent decades the Downcity area has suffered from loss of retail and
12 office space, and currently has extensive vacancies on the upper floors; and

13 WHEREAS, New private investment is needed to rehabilitate buildings and introduce
14 economically viable uses to the area, but investment has been insufficient because of the high
15 cost of renovation and the difficulty of obtaining commercial tenants;

16 THEREFORE, The General Assembly finds that is in the public interest to provide
17 property tax incentives for owners of under-utilized property in the Downcity district, so that they
18 may substantially rehabilitate their properties and attract new residential, commercial, and

1 institutional uses. The General Assembly also finds that it is in the public interest to offer these
2 incentives for a limited period in order to bring about the rehabilitation of deteriorated properties
3 on an expedited basis.

4 SECTION 2. The Providence City Council may by ordinance create a Downcity Tax
5 District, and provide special tax considerations for designated properties within the district.

6 Upon enactment, property taxes levied on eligible properties as of December 31, 2000
7 shall reflect the adopted tax considerations. Owners of eligible properties are required to begin
8 renovations by December 31, 2003 in order to qualify for continued tax considerations.
9 Properties that fail to meet this deadline will be required retroactively to pay the difference
10 between their actual tax payments and what they would have paid if ineligible for the specified
11 tax considerations.

12 Eligible properties shall be taxable properties located within the area bounded by
13 Dorrance, Pine, Empire and Sabin Streets within the City of Providence; and shall have been
14 more than fifty percent (50%) vacant as of December 31, 1999 or, although more than fifty
15 percent (50%) occupied, shall be eligible if certified by the city Building Inspector as in need of
16 substantial rehabilitation.

17 Buildings demolished after December 31, 1999 shall be ineligible. Properties already
18 vacant as of this date shall be eligible if the owners construct new structures, including parking
19 garages. Tax benefits for eligible properties shall be transferable to new owners or tenants, but
20 the life of the tax considerations shall not be extended.

21 Substantial rehabilitation shall mean rehabilitation that adheres to the applicable building
22 and fire codes, extends to all occupiable floors of the building, and equals at least fifty percent
23 (50%) of the current replacement value of the structure, as certified by the city Building
24 Inspector.

25 This statute shall not diminish the authority of any body to review and approve the
26 construction plans for overall appearance or historical preservation standards.

27 The City of Providence shall have the authority to provide tax considerations for a period
28 beginning with the assessments of December 31, 2000 up to and including December 31, 2010.
29 During this period, eligible properties shall pay annual taxes on land and buildings in an amount
30 equal to the tax assessed as of December 31, 1998. This tax shall be fixed regardless of changes
31 in the tax rate, or of changes in valuation resulting from periodic revaluation. During this period
32 of eligibility, the tax shall be fixed regardless of increased property value resulting from
33 substantial rehabilitation.

1 During the period of eligibility, Providence shall also be authorized to use special
2 considerations in taxing tangible property located in businesses in eligible properties. For the ten
3 year period, the rate of thirty-three dollars and forty-four cents (\$33.44) shall be applied annually
4 to tangible property value as it is determined and may change from year to year. This
5 consideration shall apply to all taxable businesses occupying eligible properties during the period
6 of eligibility, regardless of when they first occupied the property.

7 SECTION 3. This act shall take effect upon passage.

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LC02102
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IN CITY COUNCIL
DEC. 14, 2000
FIRST READING
READ AND PASSED

Michael R. Clement

IN CITY
COUNCIL
JAN 4 2001
FINAL READING
READ AND PASSED

Michael R. Clement
PRESIDENT
Michael R. Clement
CLERK

APPROVED

JAN 12 2001

Michael R. Clement
MAYOR

John B. Baty
Reading Clerk

IN HOUSE OF REPRESENTATIVES
JUN 29 2000
THE COMMITTEE ON FINANCE
RECOMMEND THE PASSAGE IN CON-
CURRENCE.
OF THE WITHIN BILL
0052688
Paul H. [Signature]
FOR THE COMMITTEE

GOVERNOR

Presented by

S. 2005 2688

AN ACT

RELATING TO THE DOWNCITY SECTION OF PROVIDENCE

PUBLIC LAWS

CHAPTER

00-302

**JT COMM. LEGISLATIVE SERVICES
H. LAW REVISION OFFICE**

IN SENATE July 22 1900
 THE COMMITTEE ON FINANCE
 RECOMMEND THE PASSAGE 200-
2688 OF THE WITHIN BILL
As Received
J. M. Lumbard
 FOR THE COMMITTEE

INFORMED REPRESENTATIVES
HARRIS AND ORDERED
TO BE HELD IN THE
JUN 29 2000
CALENDAR
Clerk

IN HOUSE OF REPRESENTATIVES
READ AND PASSED IN CONCURRENCE
JUN 30 2000
James D. Carter

IN-HOUSE OF REPRESENTATIVES
TRANSMITTED TO THE
GOVERNOR
JUL 10 2000
Grada H. McCoy
Recording Clerk

[Handwritten signatures and initials]

RECEIVED FROM THE GOVERNOR
WITHOUT SIGNATURE

RECEIVED FROM THE GOVERNOR
WITHOUT SIGNATURE

EFFECTIVE JUL 18 2000

IN ACCORDANCE WITH ARTICLE XV
OF AMENDMENTS AND OF SECTION
43-1-1 AND 43-1-2 OF THE GENERAL LAWS

James R. Thompson

IN THE SENATE
Order to be placed upon the
CALENDAR

JUN 23 2000

John S. Baty
Reading Clerk

IN THE SENATE
READ AND PASSED

JUN 27 2000

John S. Baty
Reading Clerk

IN HOUSE OF REPRESENTATIVES
REFERENCE TO
FI
JUN 27 2000
[Signature]