

MATTHEW M. CLARKIN, JR.
Budget Analyst



DAVID N. CICILLINE
Mayor

Finance Department
"Building Pride In Providence"

December 18, 2017

Acting Council President Sabina Matos
City of Providence
City Hall
Providence, RI 02903

Dear Acting Council President Matos:

On September 26, 2017 the city council requested - via Resolution #400 - that the Internal Auditor evaluate the oversight, compliance and effectiveness of the city's tax stabilization agreements. Attached you will find a report that catalogues the city's various tax stabilization agreements and includes recommendations to improve the TSA approval and compliance processes.

If you have any questions regarding this report, please let me know.

Sincerely,

A handwritten signature in green ink, appearing to read "Matthew M. Clarkin, Jr.", written over a green printed name.

Matthew M. Clarkin, Jr.

Internal Auditor

IN CITY COUNCIL
JAN 08 2018

READ
WHEREUPON IT IS ORDERED THAT
THE SAME BE RECEIVED.
A handwritten signature in black ink, appearing to read "Low Dog", written over the printed text.
CLERK

FILED

2017 DEC 18 P 4: 49

DEPT. OF CITY CLERK
PROVIDENCE, R.I.

REVIEW OF TAX STABILIZATION AGREEMENTS



Presented to: Providence City Council

Prepared by: Office of the Internal Auditor

December 2017

THIS PAGE INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

City Council Resolution #400	3
Findings & Recommendations	5 - 13
City Council's Parks & Recreation Fund	15
Current Tax Stabilization Agreements	17 - 25
Administrative TSAs: Section 21-235	27 - 37
103 Dike Street	31
11 Dorrance Street	32
100 Weybosset Street	33
95 Chestnut Street	34
122 Fountain Street	35
1 AT&T Plaza	36
130 Westminster Street	37

TABLE OF CONTENTS

Administrative TSAs: I-195

39 - 45

39 & 45 Pike Street

42

80 Smith Street

43

5 Exchange Street

44

225 Dyer Street

45

Administrative TSAs: Neighborhood Revitalization Act

47 -57

400 Hope Street

50

1037 Chalkstone Avenue

51

19 Harrison Street

52

80 Manton Avenue

53

11 Aleppo Street

54

37 & 40 Jones Street

55

100 Cedar Street

56

125 Atwells Avenue

57

TABLE OF CONTENTS

Non-Administrative: City Council Approved TSAs	59 -95
236-250 Westminster Street	64
220 Westminster Street	65
210 Westminster Street	66
65 Eddy Street	67
10 Memorial Boulevard	68
5 Avenue of the Arts	69
166 Valley Street	70
100 Exchange Street	71
203 Weybosset Street	72
35 Hylestead Street	73
1, 25 Park Row West	74
60 Valley Street	75
1 Sims Avenue	76
200 Allens Avenue	77
41 Central Street	78
125 Washington Street	79

TABLE OF CONTENTS

Non-Administrative: City Council Approved TSAs

326 Westminster Street	80
350 Eddy Street	81
25 Holden Street	82
825 Chalkstone Avenue	83
32 Custom House Street	84
55 Cromwell	85
342 Eddy Street	86
11, 15 Point Street/ 2 South Street	87
111 Fountain Street	88
39 New York Avenue	89
75 Fountain Street	90
225 Weybosset Street	91
169 Canal Street/100 North Main Street	92
68 Dorrance Street	93
78 Fountain Street	94
259 Weybosset Street	95

APPENDIX

Appendix A: I-195 Agreements
Appendix B: Neighborhood Agreements

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 400

EFFECTIVE October 6, 2017

WHEREAS, On November 6th, 2013, the Providence City Council approved Resolution # 1520, initiating an examination of policies, procedures, and laws relating to tax stabilization agreements (TSAs) in Providence; and

WHEREAS, On January 30th, 2014, the Internal Auditor presented the City Council's Special Committee on Ways and Means with a report entitled, "Analysis of Tax Stabilization Agreements," which included many important findings and recommendations for improving oversight and compliance of TSAs; and

WHEREAS, From January to March 2014, the Ways and Means Committee held five hearings on the subject of tax stabilization agreements in order to comprehensively evaluate their effectiveness in terms of job creation, business growth, and long-term financial benefit to the City; and

WHEREAS, In October of 2014, the Ways and Means Committee presented the City Council with the "Tax Stabilization Policy Report & Recommendations," which detailed the Internal Auditor's findings and made a series of recommendations for improving oversight of and compliance with the City's TSAs; and

WHEREAS, The report concluded that "the City must streamline and improve the submission and its deliberation procedure for TSAs, in order to provide potential developers and the public with a consistent, transparent, and efficient process" and "in addition, it is vital that the City make significant improvements to its monitoring of existing TSAs to ensure compliance with the requirements established in these Agreements"; and

WHEREAS, As it has been nearly four years since the Internal Auditor's analysis of TSAs and the City has continued to utilize TSAs as an economic development tool, it is timely and appropriate for the Internal Auditor to conduct a follow-up evaluation and provide the City Council with a report on the City's progress with regard to TSAs.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence does hereby respectfully request that the Internal Auditor evaluate the oversight, compliance, and effectiveness of the City's tax stabilization agreements and report back to the City Council with findings and recommendations no later than December 1st, 2017.

BE IT FURTHER RESOLVED, That, upon passage, copies of this resolution be sent to the Internal Auditor, the Finance Director, and the Mayor.

IN CITY COUNCIL

SEP 26 2017

READ AND PASSED

Sahina H. H. H.
ACTING PRES.

Effective without the Mayor's Signature

Lois L. Hagan
Lois L. Hagan
City Clerk

CLERK

THIS PAGE INTENTIONALLY LEFT BLANK

FINDINGS & RECOMMENDATIONS

COORDINATION

Finding:

While improved from the time of the last review in 2014, the city continues to struggle at clearly defining and coordinating roles, responsibilities and processes concerning tax stabilization agreements. This lack of coordination is due in part to many different departments and individuals being involved with the TSA both pre and post approval.

Recommendation:

It is recommended - because of the financial nature of much of the processes surrounding TSAs – that the responsibility for TSA compliance be transferred to the finance director. In addition, a current or new staff member in the finance department should be assigned to be the point person during the TSA approval process and for on-going compliance monitoring.

FINDINGS & RECOMMENDATIONS

ONE POINT OF ENTRY

Finding:

Applications for administrative tax stabilization agreements are currently submitted through either the Planning Department or the City Assessor's Office. Having two points of entry for applications can lead to confusion and delays because the application/review process does not have a single starting point.

Recommendations:

In order to simplify and streamline the entire TSA process from application through compliance monitoring, it is recommended that all applications be submitted through the finance department only. This will allow finance director or their designee to have control of the TSA from its inception. The finance director or their designee can then shepherd the application through the review/approval process and then continue through compliance .

FINDINGS & RECOMMENDATIONS

TIMING OF TSA APPLICATIONS

Finding:

Applications for a tax stabilization agreements can be submitted at any time before the Certificate of Occupancy is issued. A TSA application that is submitted well into the construction phase of the project makes compliance with apprenticeship, MBE/WBE and Buy Providence requirements very unlikely if not impossible. In addition, it raises the question as to whether a tax stabilization agreement is necessary on the project because financing was already secured.

Recommendations:

- The city should not consider applications for TSAs on projects that have building permits already in place.

FINDINGS & RECOMMENDATIONS

COMPLIANCE MEETINGS

Finding: There are still instances when a compliance meeting between the city and the project owner is delayed. Delays in compliance meetings makes it more difficult to meet the goals and responsibilities in the TSA and can lead to confusion and misunderstandings between the city and the project owner.

Recommendations:

- Tax stabilization agreements should not be approved by the city council or through the administrative approval process until a compliance meeting between the city departments and related agencies responsible for compliance and the project owner takes place.
- A letter or form signed by a representative of the city who attended the compliance meeting and the project owner or their designee should be part of the application package before final approval.

FINDINGS & RECOMMENDATIONS

NOTIFICATION OF TSA APPROVAL

Finding:

When a new TSA is approved by the city council or through the administrative approval process, there is not a formal notification or communication provided to the departments who are tasked with the responsibility to ensure compliance (First Source, MBE/WBE, Building Futures). The result is that a TSA can be approved and there be no proactive compliance efforts made by the city because the responsible departments are not aware that the new TSA exists.

Recommendation:

Once the TSA application is approved by the city council or through the administrative approval process, the finance director and/or their designee should provide all departments that have involvement with TSAs with a notification of the final approval of the agreement.

FINDINGS & RECOMMENDATIONS

ANNUAL MONITORING & COMPLIANCE FEE

Finding:

All administrative and several council-approved TSAs require the project owner to pay an annual monitoring and compliance fee of 0.01 percent. Currently, the city assessor is tracking the projects that include this fee, but there is no process in place to bill or collect the fee. There are currently five projects that have not made payments that were due based upon the TSA approval date.

Recommendations:

- The city develop a process to bill and collect this fee.
- Immediately invoice the five projects for the overdue fee.

FINDINGS & RECOMMENDATIONS

CITY COUNCIL PARKS & RECREATION FUND

Finding:

The City Council established in December 2015 a Parks & Recreation Trust Fund. Similar to the annual monitoring and compliance fee, the city assessor is tracking the projects that include the payments to the Fund, but there is no process in place to bill or collect the fee. There are currently two projects that have not made payments that were due based upon the TSA approval date.

Recommendations:

- The city develop a process to bill and collect this fee.
- Immediately invoice the two projects for the overdue fee.
- In order to strengthen compliance with this requirement, the City should require a Trust Memo be recorded for each project where payment to the Trust Fund is required.

FINDINGS & RECOMMENDATIONS

ANNUAL REPORTING

Finding: Most TSAs require that the project site owner submit reports annually to support their efforts to comply with the terms of the Agreement. There is widespread non-compliance with this requirement.

Recommendations:

- This city should create a template that incorporates all potential TSA requirements that the project site owner can use to submit their annual report.
- The City should proactively send this template to each project site owner at least sixty days prior to the anniversary date of the TSA to remind them of this requirement.
- Recent ordinances require that annual reports be submitted to the “City Council”. The City Council is a vague reference and more specificity should be included in future ordinances.

FINDINGS & RECOMMENDATIONS

TRANSPARENCY

Finding:

There is not an easy or transparent way for a taxpayer or interested party to learn what tax stabilization agreements are in place in the city.

Recommendations:

- The city should add a page to its website dedicated solely to tax stabilization agreements. This page – which should be updated continuously – should include the following:
 - Listing of all TSAs by category (I-195, Neighborhood, Council-direct Approved)
 - Links to application; supporting documentation; payment schedule and fiscal analysis; and final signed agreement or approved ordinance.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY COUNCIL'S PARKS & RECREATION FUND

- In December 2015, the City Council established a Parks & Recreation Trust Fund.
- This trust fund was created to offer financial assistance with capital improvements in neighborhood parks and recreation centers.
- A stand-alone fund has been established and assets will be invested under the management of the Board of Investment & Review.
- It is projected that TSA approved with this requirement will pay \$1.8 million to the fund over the period of their Agreements.

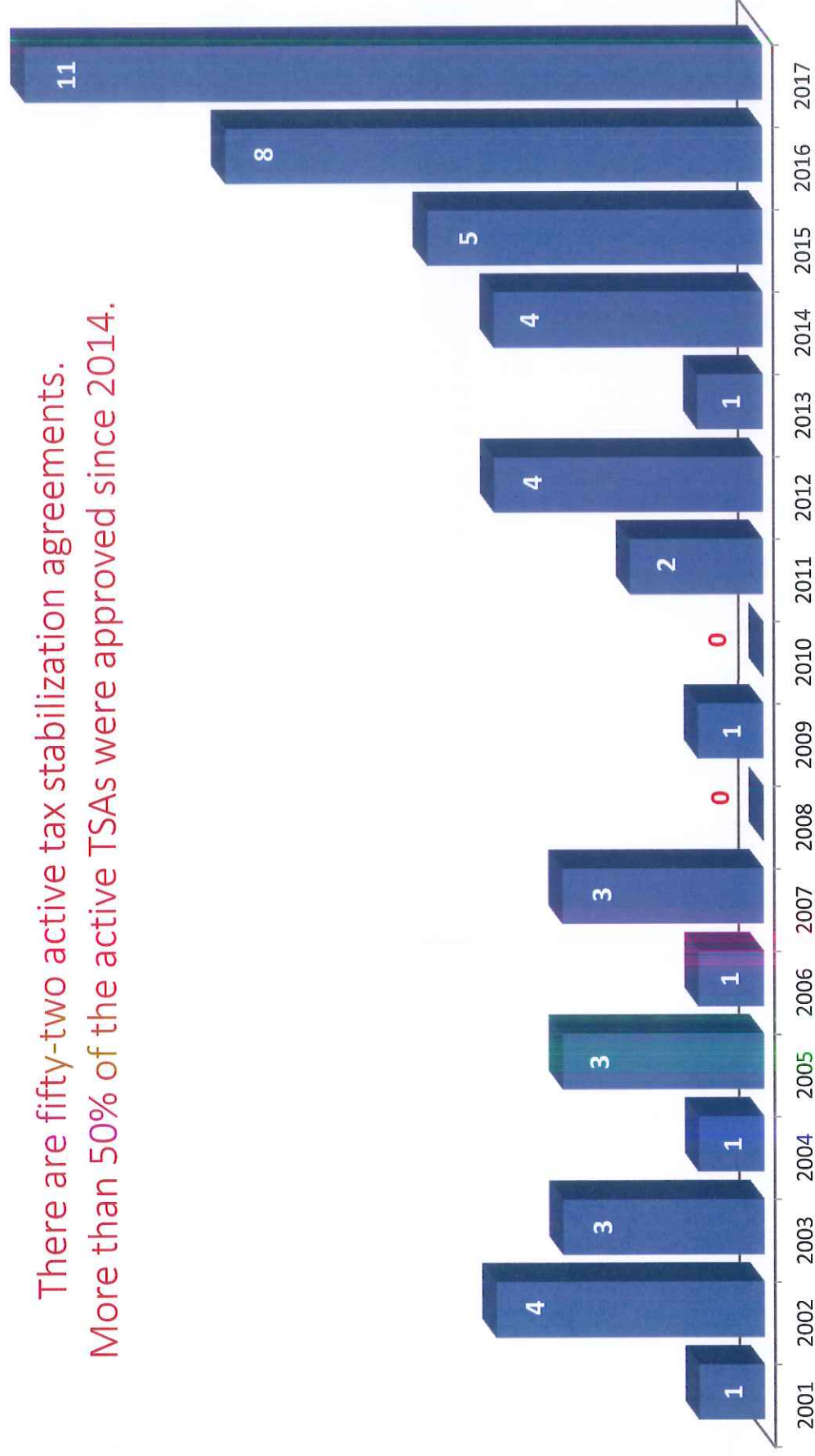
Address	Tax Savings	Total Payments to Fund
78 Fountain	\$12,232,166	\$681,587
169 Canal	\$9,194,045	\$523,995
McKinnis (Tangible)	\$3,167,929	\$119,452
Fogarty	\$1,785,106	\$119,452
McKinnis	\$1,604,956	\$45,554
68 Dorrance	\$1,459,628	\$83,870
166 Valley	\$1,383,220	\$69,161
75 Fountain	\$1,174,163	\$112,036
225 Weybosset	\$478,638	\$29,595
259 Weybosset	\$306,669	\$20,634
60 Valley	\$258,960	\$12,948
	\$33,045,480	\$1,818,284

NOTE: The tax savings and payments to the Parks Fund shown above are based upon City Assessor's projections.

THIS PAGE INTENTIONALLY LEFT BLANK

CURRENT TAX STABILIZATION AGREEMENTS

There are fifty-two active tax stabilization agreements.
More than 50% of the active TSAs were approved since 2014.



CURRENT TAX STABILIZATION AGREEMENTS

Category	Assessed Value	True Tax	Stabilized Tax
Council Approved	\$413,670,700	\$15,184,188	\$7,258,201
Administrative: Section 21-235	\$73,570,300	\$2,700,030	\$314,590
Administrative: I-195	\$6,858,790	\$251,717	\$244,448
Administrative: Neighborhood	\$6,674,632	\$244,555	\$178,387
Total	\$500,774,422	\$18,380,490	\$7,995,626

CURRENT TAX STABILIZATION AGREEMENTS

2001	Address	Plat/Lot	Owner	Start Date
	236 - 250 Westminster Street	20/157	Cornish Associates	12/28/2001
2002	100 Fountain Street	25/166	LAF Realty, LLC	4/25/2002
	210 Westminster Street	20/154	Lerner Associates	11/8/2002
	220 Westminster Street	20/381	Harrisburg Associates	11/8/2002
	65 Eddy Street	20/382	Peerless Lofts LLC	11/22/2002
2003	5 Avenue of the Arts	4/260	RP Providence Owner, LLC	7/15/2003
	10 Memorial Boulevard	19/109	10 Memorial Blvd Owner, LLC	7/15/2003
	166 Valley Street	62/598	166 Valley Street LLC	12/31/2003
2004	100 Exchange Street	19/102-BCBS	Allogenic Holdings LLC	1/16/2004
2005	1, 25 Park Row West	4/261	261 LLC	3/11/2005
	35 Hylestead Street	54/155	65 Pavillion, LLC	8/1/2005
	203 Weybosset Street	20/176	Sampalis Realty, LLC	8/1/2005
2006	60 Valley Street	35/572, 573	Riverfront Capital LLC	9/26/2006

CURRENT TAX STABILIZATION AGREEMENTS

	2007			Owner	Start Date
	Address	Plat/Lot			
	1 Sims Avenue	27/273	Milhaus, LLC		1/8/2007
	200 Allens Avenue	46/630	Rhode Island State Pier Property		1/8/2007
	41 Central Street	30/686	Yet Another LLC		4/16/2007
	2009				
	125 Washington Street	25/170	Mercantile Block Association LLC		11/16/2009
	2011				
	122 Fountain Street	25/173	122 Fountain Street LLC		12/31/2011
	1 AT&T Plaza	25/423	Inland Diversified Prov Lasalle Square, LLC		12/31/2011
	2012				
	11 Dorrance Street	20/42	AG-FINCOV Biltmore Owner LLC'		3/15/2012
	100 Weybosset Street	20/202	Providence Capital, LLC		7/1/2012
	95 Chestnut Street	24/261	CBWC Holdings I, LLC		12/31/2012
	130 Westminster Street	20/130	130 Westminster Street Associates, LLC		12/31/2012
	2013				
	103 Dike Street	105/489	Music House, LLC		12/31/2013
	2014				
	350 Eddy Street	21/430	CV South Street Landing, LLC		6/26/2014
	326 Westminster Street	24/411	Downtown Revitalization Fund I, LLC		6/26/2014
	25 Holden Street	4/255, 256	Sharpe Building Associates. LLC		7/2/2014
	Chartercare	Various	Prospect RWMC LLC		7/2/2014

CURRENT TAX STABILIZATION AGREEMENTS

2015

Address	Plat/Lot	Owner	Start Date
32 Custom House Street	20/88	HM Ventures Group LLC	7/6/2015
55 Cromwell	30/411	Cromwell Ventures	9/11/2015
11, 15 Point St; 2 South St	21/454	CV Riverhouse, LLC	12/22/2015
342 Eddy Street	21/452	CV SSL Garage	12/22/2015
111 Fountain Street	25/422	PRI XIII	12/28/2015

2016

39 New York Avenue	56/351	ProvPort	3/23/2016
75 Fountain Street	25/236	Fountainview Owner, LLC	4/15/2016
39 & 45 Pike Street	18/19 & 354	Royal Oaks Realty LLC	4/28/2016
400 Hope Street	9/610	Meow Mix LLC	5/2/2016
1037 Chalkstone Avenue	84/162	1039 Chalkstone Realty Associates LLC	6/15/2016
80 Smith Street	4/262	262 LLC	6/30/2016
125 Atwells Avenue	26/105	Omni 1 R LLC	6/30/2016
19 Harrison Street	32/234	Pilgrim Lofts LLC	7/18/2016

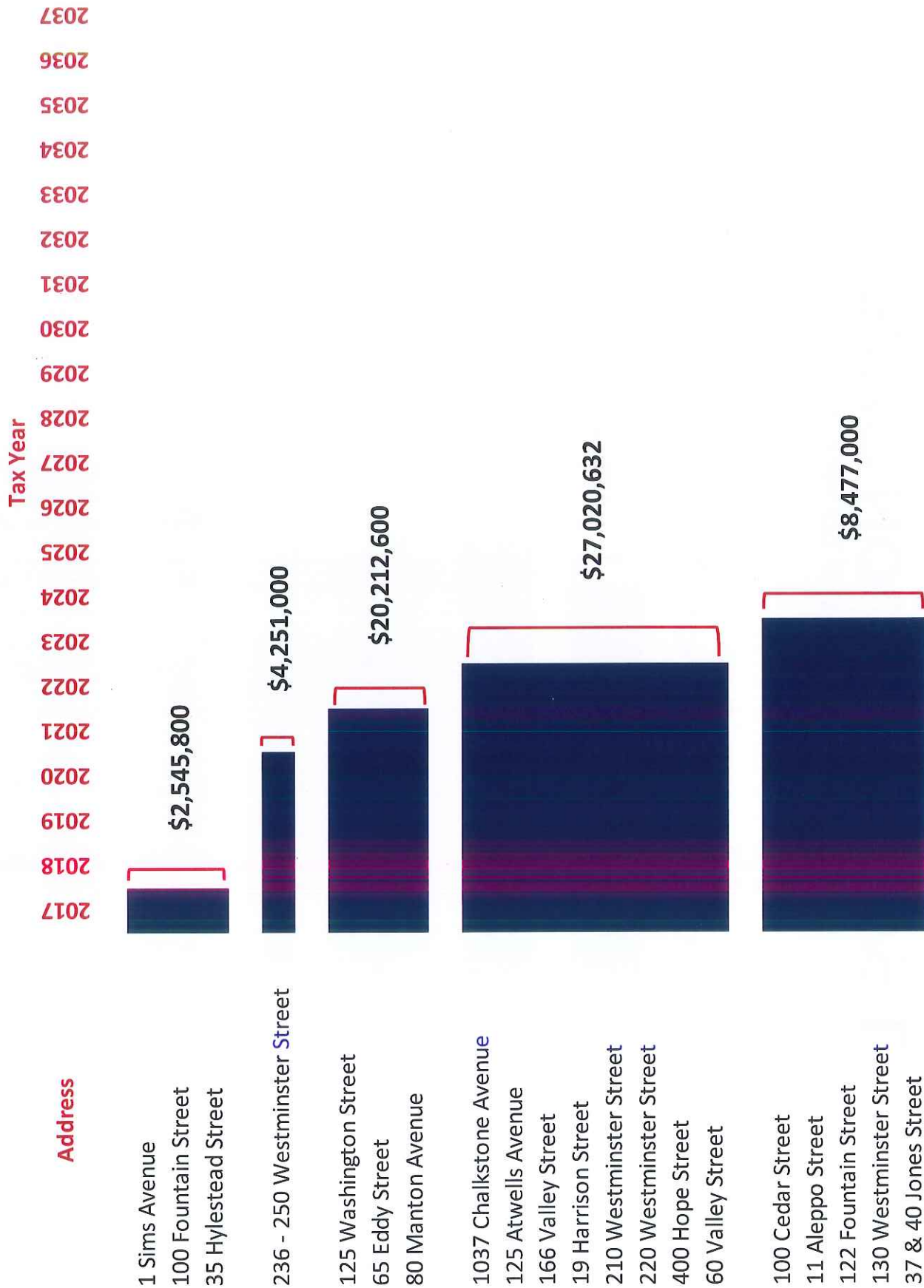
2017

5 Exchange Street	19/120	Exchange Street Hotel	1/10/2017
225 Weybosset Street	24/417	HM Ventures Group LLC	1/27/2017
80 Manton Avenue	62/545	Grasso Management LLC	2/10/2017
11 Aleppo Street	63/577	Wide Plank LLC	2/23/2017
37 & 40 Jones Street	26/381 & 384	Omni Jones LLC	5/11/2017
100 Cedar Street	26/382	Omni Combined W.E. LLC	5/11/2017
169 Canal Street/100 North Main	10/706	110 North Main St LLC	6/6/2017
68 Dorrance Street	20/136	Case Mead	6/19/2017
259 Weybosset Street	24/423	Weybosset LLC	7/31/2017
78 Fountain Street	25/164, 454	78 Fountain JV Owner LLC	7/31/2017
225 Dyer Street	20/395,396	Providence Innovation District I Phase Owner, LLC	9/14/2017

THIS PAGE INTENTIONALLY LEFT BLANK

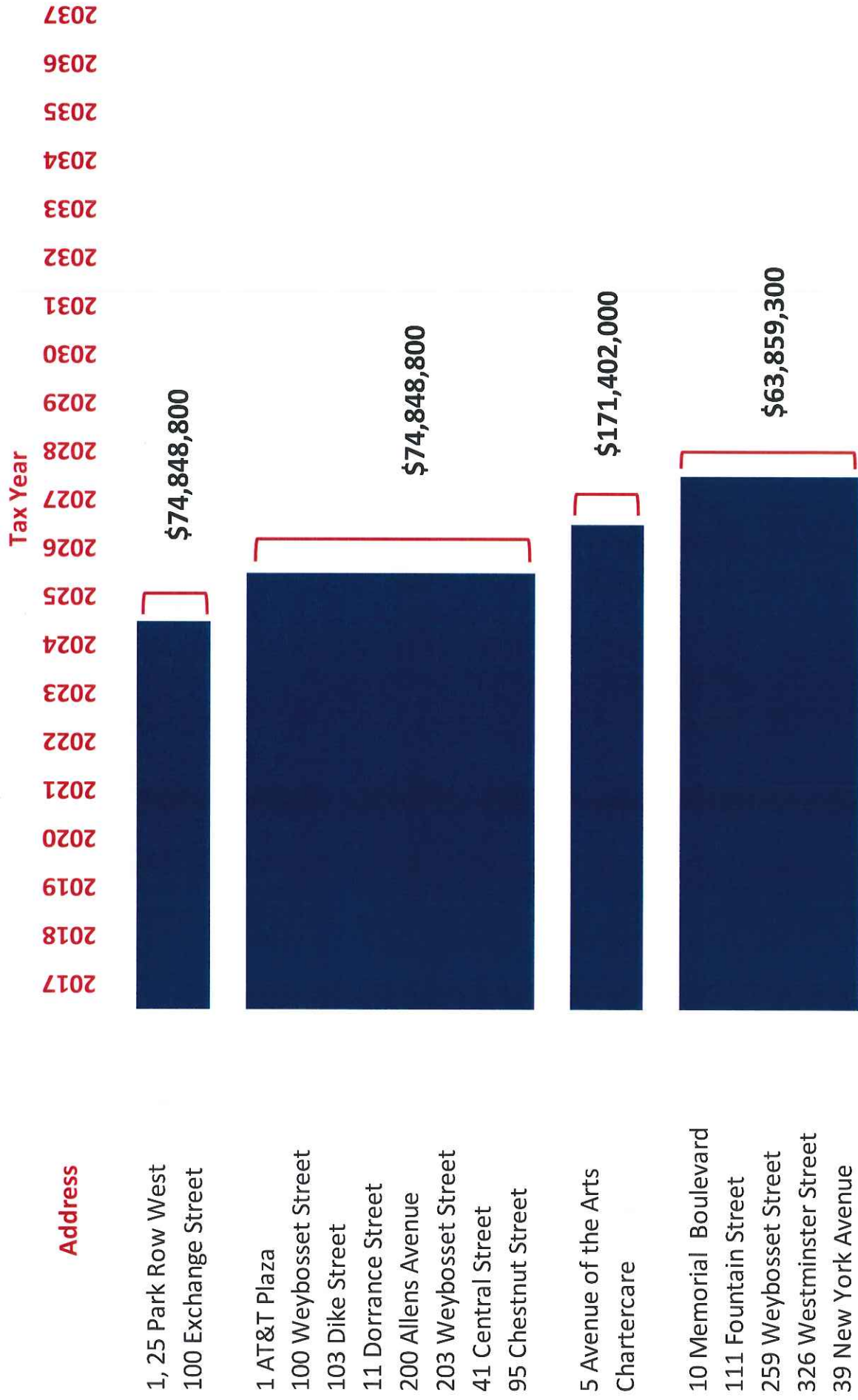
TSA EXPIRATION DATES

ASSESSED VALUATIONS AS OF TAX YEAR 2017



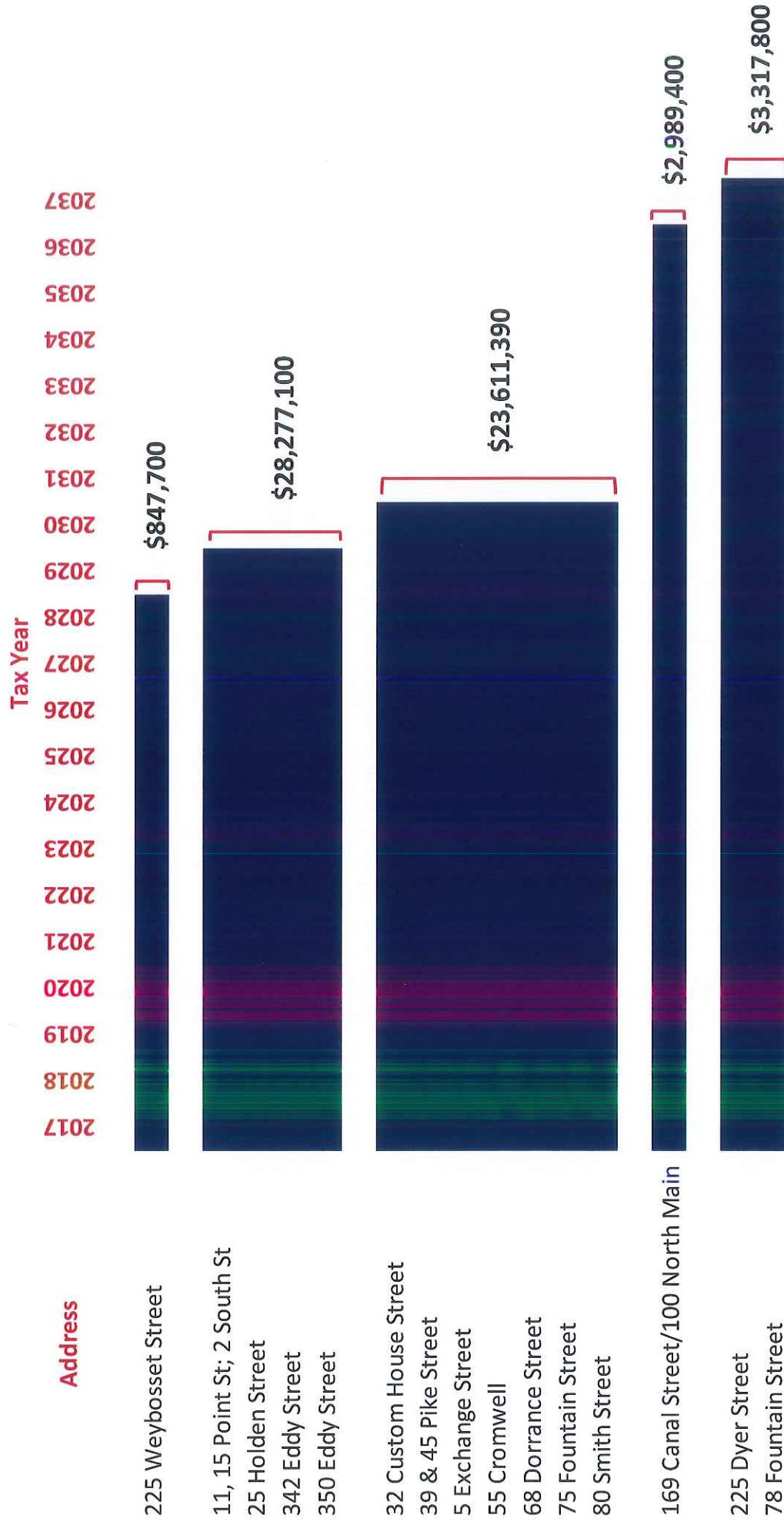
TSA EXPIRATION DATES

ASSESSED VALUATIONS AS OF TAX YEAR 2017



TSA EXPIRATION DATES

ASSESSED VALUATIONS AS OF TAX YEAR 2017



THIS PAGE INTENTIONALLY LEFT BLANK

ADMINISTRATIVE TSAS

AUTHORIZED UNDER

Property Taxes for Designated Historic Properties
Section 21-235
January 29, 2011

THIS PAGE INTENTIONALLY LEFT BLANK

TSA PAYMENT SCHEDULES

ADMINISTRATIVE: SECTION 21-235

Address	Plat/Lot	FY TY	2018 2017	2019 2018	2020 2019	2021 2020	2022 2021	2023 2022	2024 2023	2025 2024	2026 2025	2027 2026
103 Dike St	105/489		\$6,316	\$6,316	\$6,316	\$6,316	\$6,316	\$6,316	\$6,316	Full Tax		
11 Dorrance St	20/42		\$143,256	\$143,256	\$143,256	\$143,256	\$143,256	\$143,256	\$124,506	\$124,506	Full Tax	
100 Weybosset St	20/202		\$32,557	\$32,557	\$32,557	\$32,557	\$32,557	\$32,557	Full Tax			
95 Chestnut St	24/261		\$21,208	\$21,208	\$21,208	\$21,208	\$21,208	\$21,208	\$21,208	\$21,208	\$21,208	\$21,208
122 Fountain St	25/173		\$9,601	\$9,601	\$9,601	\$9,601	\$9,601	\$9,601	\$9,601	\$9,601	Full Tax	
1 AT&T Plaza	25/423		\$50,569	\$50,569	\$50,569	\$50,569	\$50,569	\$50,569	Full Tax			
130 Westminster St	20/130		\$16,742	\$16,742	\$16,742	\$16,742	\$16,742	\$16,742	Full Tax			

THIS PAGE INTENTIONALLY LEFT BLANK

Fete

103 Dike Street
Plat 105, Lot 489

Music House LLC

Approved: January 1, 2012



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$631,600

\$17,555

\$23,180

\$6,316

Current

12/31/2024

Biltmore Hotel

11 Dorrance Street
Plat 20, Lot 42

Biltmore Providence Owner LLC

Approved: March 15, 2012



Assessed Valuation (12/31/16)

\$26,284,900

Actual Tax Prior to TSA

\$694,575

2017 True Tax

\$964,656

2017 Stabilized Tax Payment

\$143,256

Tax Status

Current

End Date of Agreement

12/31/2024

Providence G

100 Weybosset Street
Plat 20, Lot 202

Providence Capital LLC

Approved: March 20, 2012



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$5,476,900

\$129,610

\$201,002

\$32,557

Current

12/31/2024

95 Chestnut Street
Plat 24, Lot 261

CBWC Holdings I, LLC

Approved: April 15, 2012



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$4,031,600

\$110,665

\$147,960

\$21,208

Current

12/31/2024

122 Fountain Street
Plat 25, Lot 173

122 Fountain Street LLC

Approved: April 20, 2012



Assessed Valuation (12/31/16)

\$3,032,000

Actual Tax Prior to TSA

\$77,010

2017 True Tax

\$111,274

2017 Stabilized Tax Payment

\$9,601

Tax Status

Current

End Date of Agreement

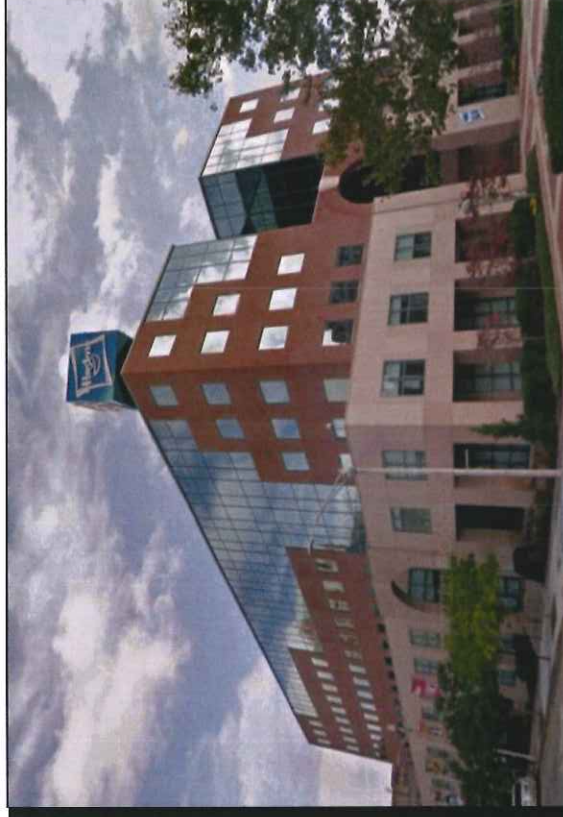
12/31/2022

Hasbro HQ

1 AT& T Plaza
Plat 25, Lot 423

Inland Diversified Prov. LaSalle Square LLC

Approved: July 1, 2012



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$29,690,900

\$547,553

\$1,089,656

\$50,569

Current

12/31/2024

The Arcade

130 Westminster Street
Plat 20, Lot 130

103 Westminster St. Associates, LLC

Approved: December 31, 2012



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$4,422,400

\$44,137

\$162,302

\$51,083

Current

12/31/2022

THIS PAGE INTENTIONALLY LEFT BLANK

ADMINISTRATIVE TSAS

AUTHORIZED UNDER

**Tax Stabilization for Commercial and Residential
Property for Under the Authority of the I-195
Redevelopment District Commission
Chapter 2015-28**

THIS PAGE INTENTIONALLY LEFT BLANK

TSA PAYMENT SCHEDULES

ADMINISTRATIVE: I-195 DISTRICT COMMISSION

Address	Plat/Lot	FY										
		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
39 & 45 Pike St.	18/19 & 354	-	\$33,766	\$33,766	\$33,766	\$33,766	Base + 5.0%	Base + 10.0%	Base + 20.0%	Base + 30.0%	Base + 40.0%	Base + 60.0%
80 Smith St.	4/262	-	\$115,558	\$115,558	\$115,558	\$115,558	Base + 5.0%	Base + 10.0%	Base + 20.0%	Base + 30.0%	Base + 40.0%	Base + 40.0%
5 Exchange St.	19/120	-	\$65,059	\$65,059	\$65,059	\$65,059	Base + 5.0%	Base + 10.0%	Base + 20.0%	Base + 30.0%	Base + 40.0%	Base + 60.0%
225 Dyer Street	20/395 & 396	\$30,035	\$30,035	\$30,035	\$30,035	\$30,035	Base + 6.5%	Base + 13.0%	Base + 19.5%	Base + 26.0%	Base + 32.5%	Base + 32.5%

ROYAL OAKS

39 & 45 Pike Street
Plat 18, Lots 19 & 354

Royal Oaks Realty LLC

Approved: April 28, 2016



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$1,067,255

\$38,014

\$39,168

\$33,766

Current

12/31/2029

262 LLC

80 Smith Street
Plat 4, Lot 262

262 LLC

Approved: June 10, 2016



Assessed Valuation (12/31/16)

\$3,114,435

Actual Tax Prior to TSA

\$122,067

2017 True Tax

\$114,300

2017 Stabilized Tax Payment

\$115,558

Tax Status

Current

End Date of Agreement

12/31/2029

EXCHANGE STREET HOTEL

5 Exchange Street
Plat 19, Lot 120

Exchange Street Hotel LLC

Approved: January 10, 2017



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$1,858,700

\$65,059

\$68,214

\$65,059

Current

12/31/2029

WEXFORD

225 Dyer Street
1195 - Lot 400, Parcels 22 & 25
Providence Innovation District
Phase I Owner LLC
Approved: September 14, 2017



Assessed Valuation (12/31/16)	\$818,400
Actual Tax Prior to TSA	\$0
2017 True Tax	\$30,035
2017 Stabilized Tax Payment	\$30,035
Tax Status	Current
End Date of Agreement	12/31/2036

THIS PAGE INTENTIONALLY LEFT BLANK

ADMINISTRATIVE TSAS

AUTHORIZED UNDER

**Providence Neighborhood Revitalization Act
for Commercial and Multi-Family Residential Property
Chapter 2015-29**

THIS PAGE INTENTIONALLY LEFT BLANK

TSA PAYMENT SCHEDULES

ADMINISTRATIVE: NEIGHBORHOOD REVITALIZATION ACT

Address	Plat/Lot	FY	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
		TY	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
400 Hope St.	9/610		\$13,296	\$13,296	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			
1037 Chalkstone Ave.	84/162			\$6,064	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			
19 Harrison St.	32/234		-	\$9,118	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			
80 Manton Ave.	62/545		-	\$65,014	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			
11 Aleppo St.	63/577		-	-	\$5,689	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax		
37 & 40 Jones St.	26/381 & 384		-	-	\$3,131	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax		
100 Cedar St.	26/382		-	\$19,352	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			
125 Atwells Ave.	26/105		-	\$56,724	Base + 20%	Base + 40%	Base + 60%	Base + 80%	Full Tax			

CITY KITTY

400 Hope Street
Plat 9, Lot 610

Meow Mix LLC

Approved: May 12, 2016 *



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$1,257,000

\$14,306

\$46,132

\$13,296

Current

12/31/2021

FEDERAL HILL PIZZA

1037 Chalkstone Avenue
Plat 84, Lot 162

1039 Chalkstone Realty Associates LLC

Approved: June 15, 2016



Assessed Valuation (12/31/16)

\$165,232

Actual Tax Prior to TSA

\$6,353

2017 True Tax

\$6,064

2017 Stabilized Tax Payment

\$6,064

Tax Status

Current

End Date of Agreement

12/31/2021

PILGRIM LOFTS

19 Harrison Street
Plat 32, Lot 234

Pilgrim Lofts LLC

Approved: July 18, 2016



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$248,100

\$9,105

\$9,105

\$9,118

Current

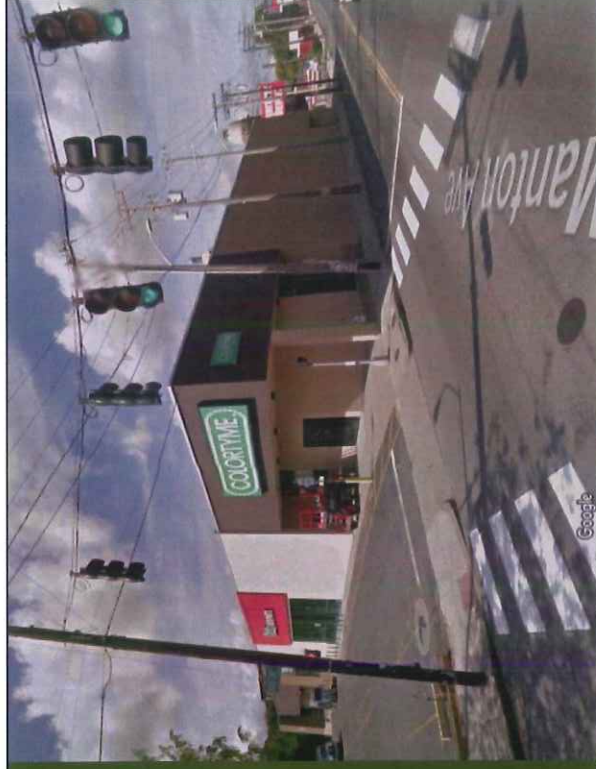
12/31/2021

80 MANTON AVENUE

80 Manton Avenue
Plat 62, Lot 545

Grasso Management LLC

Approved: February 10, 2017



Assessed Valuation (12/31/16)

\$2,436,100

Actual Tax Prior to TSA

\$49,831

2017 True Tax

\$89,405

2017 Stabilized Tax Payment

\$65,014

Tax Status

Current

End Date of Agreement

12/31/2020

11 Aleppo Street

11 Aleppo Street
Plat 63, Lot 577

Wide Plank LLC

Approved: February 23, 2017



Assessed Valuation (12/31/16)

\$215,900

Actual Tax Prior to TSA

\$13,296

2017 True Tax

\$7,924

2017 Stabilized Tax Payment

\$5,689

Tax Status

Current

End Date of Agreement

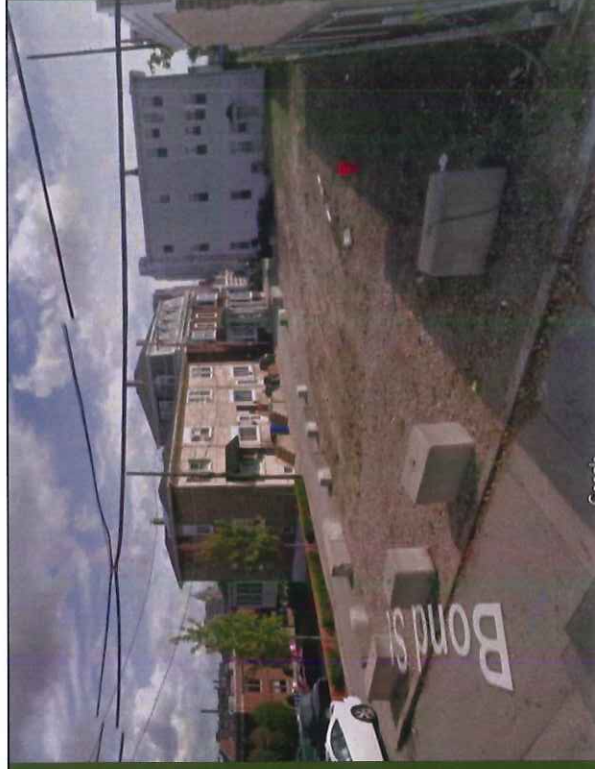
12/31/2022

OMNI JONES

37 & 40 Jones Street
Plat 26, Lot 384 & 381

Omni Jones LLC

Approved: May 11, 2017



Assessed Valuation (12/31/16)

\$190,400

Actual Tax Prior to TSA

\$6,583

2017 True Tax

\$6,583

2017 Stabilized Tax Payment

Stablization begins in tax year 2018 (\$3,130)

Tax Status

Current

End Date of Agreement

12/31/2022

CEDAR ST. PARKING GARAGE

100 Cedar Street
Plat 26, Lot 382

Omni Combined W.E. LLC

Approved: May 11, 2017



Assessed Valuation (12/31/16)

\$616,300

Actual Tax Prior to TSA

\$22,618

2017 True Tax

\$22,618

2017 Stabilized Tax Payment

Stablization begins in tax year 2018 (\$19,352)

Tax Status

Current

End Date of Agreement

12/31/2022

125 Atwells Avenue

125 Atwells Avenue
Plat 26, Lot 105

Omni 1 R, LLC

Approved: Unknown*



Assessed Valuation (12/31/16)

\$1,545,600

Actual Tax Prior to TSA

\$56,724

2017 True Tax

\$56,724

2017 Stabilized Tax Payment

\$56,724

Tax Status

Current

End Date of Agreement

12/31/2021

THIS PAGE INTENTIONALLY LEFT BLANK

COUNCIL-APPROVED TSAs

THIS PAGE INTENTIONALLY LEFT BLANK

TSA PAYMENT SCHEDULES

COUNCIL-APPROVED

Address	Plat/Lot	FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
	TY		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
236 - 250 Westminster Street	20/157		62,915	50% full tax	70% full tax	95% Full Tax	Full Tax					
220 Westminster Street	20/381		19,860	40% full tax	55% full tax	70% full tax	95% full tax	Full Tax				
210 Westminster Street	20/154		11,649	40% full tax	55% full tax	70% full tax	95% full tax	Full Tax				
65 Eddy Street	20/382		141,126	40% full tax	55% full tax	70% full tax	95% full tax	Full Tax				
10 Memorial Boulevard	19/109		1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,300,000	1,300,000	1,300,000	1,300,000	Full Tax
5 Avenue of the Arts	4/260		498,154	577,980	660,519	745,841	834,021	849,034	864,316	879,874	895,712	911,834
166 Valley Street	62/598		80,535	25% full tax	40% full tax	55% full tax	70% full tax	95% full tax	Full Tax			
100 Exchange Street	19/102-BCBS,		1,104,295	70% full tax	70% full tax	80% full tax	80% full tax	90% full tax	90% full tax	95% full tax	Full Tax	
203 Weybosset Street	20/176		41,938	44,598	47,257	49,917	52,576	55,236	57,895	60,555	63,215	Full Tax
35 Hylestead Street	54/155		9,752	FULL TAX								
1, 25 Park Row West	4/261,263		624,588	70% full tax	70% full tax	80 % full tax	80% full tax	90% full tax	90% full tax	95% full tax	Full Tax	

TSA PAYMENT SCHEDULES

COUNCIL-APPROVED

Address	Plat/Lot	FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
60 Valley Street	35/572, 573		11,730	25% full tax	40% full tax	55% full tax	70% full tax	95% full tax	Full Tax			
1 Sims Avenue	27/273		19,641	Full Tax								
200 Allens Avenue	46/630		26,684	Full Tax								
41 Central Street	30/686		8,187	8,769	9,350	9,932	10,513	11,094	11,676	12,257	12,839	Full Tax
125 Washington Street	25/170		34,248	34,248	34,248	34,248	34,248	Full Tax				
100 Fountain Street	25/166		20,662	Full Tax								
326 Westminster Street	24/411		20,000	20,000	30,000	44,838	59,784	74,730	66.66%	77.77%	88.88%	95.00%
350 Eddy Street	21/430		128,088	8.33% full tax	16.67% full tax	25% full tax	33.33% full tax	41.67% full tax	50% full tax	58.33% full tax	66.67% full tax	75% full tax
25 Holden Street	4/255, 256		67,491	67,491	16.66% full tax	24.99% full tax	33.32% full tax	41.65% full tax	49.98% full tax	58.31% full tax	66.64% full tax	74.97% full tax
Charter Care	Various		2,300,000	2,400,000	2,500,000	44% full tax	55% full tax	66% full tax	77% full tax	88% full tax	Full Tax	
32 Custom House Street	20/88		29,984	Base + 12%	Base + 24%	Base + 36%	Base + 48%	Base + 60%	Base + 72%	Base + 84%	Base + 95%	Full Tax

TSA PAYMENT SCHEDULES

COUNCIL-APPROVED

Address	Plat/Lot	FY	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
55 Cromwell	30/411		15,567	15,567	15,567	15,567	40,000	45,000	8% EGI	9% EGI	10% EGI	11% EGI
342 Eddy Street	21/452		28,269	8.33% full tax	16.67% full tax	25% full tax	33.33% full tax	41.67% full tax	50% full tax	58.33% full tax	66.67% full tax	75% full tax
11, 15 Point St; 2 South St	21/454		141,506	8.33% full tax	16.67% full tax	25% full tax	33.33% full tax	41.67% full tax	50% full tax	58.33% full tax	66.67% full tax	75% full tax
111 Fountain Street	25/422		58,646	58,646	58,646	Base +12.5%	Base + 25%	Base + 37.5%	Base + 50%	Base + 62.5%	Base + 75%	Base + 87.5%
39 New York Avenue	56/351		50,000	50,000	Base + 11%	Base + 22%	Base + 33%	Base + 44%	Base + 55%	Base + 66%	Base + 77%	Base + 88%
75 Fountain Street	25/236		220,500	220,500	250,819	281,138	311,456	349,860	55.50%	66.60%	77.70%	88.80%
225 Weybosset Street	24/417		32,101	32,101	32,101	Base + 11%	Base + 22%	Base + 33%	Base + 44%	Base + 55%	Base + 66%	Base + 77%
169 Canal Street/100 North Main	10/706		109,711	109,711	109,711	109,711	109,711	Base + 6.5%	Base + 13%	Base + 19.5%	Base + 26%	Base + 32.5%
68 Dorrance Street	20/136		51,083	51,083	51,083	Base + 11%	Base + 22%	Base + 33%	Base + 44%	Base + 55%	Base + 66%	Base + 77%
78 Fountain Street	25/164, 454		48,639	91,728	91,728	91,728	91,728	Base + 6.5%	Base + 13%	Base + 19.5%	Base + 26%	Base + 32.5%
259 Weybosset Street	24/423		26,248	26,248	26,248	26,248	Base + 11%	Base + 22%	Base + 33%	Base + 44%	Base + 55%	Base + 66%

<p>THE ALICE BUILDING</p> <p>236 - 250 Westminster Street (Plat 20, Lot 157)</p> <p>Cornish Associates LLC</p> <p>Approval Date: December 28, 2001</p> <p>Extension: October 23, 2014</p>		
Assessed Valuation (12/31/16)	\$4,251,000	
Actual Tax Prior to TSA	\$25,531	
2017 True Tax	\$156,012	
2017 Stabilized Tax Payment	\$62,915	
Tax Status	Current	
End Date of Agreement	12/31/2019	

220 Westminster Street
Plat 20, Lot 381

Harrisburg Associates, LLC.

Approval Date: November 8, 2002

Extended: October 23, 2014



Assessed Valuation (12/31/16)

\$2,147,100

Actual Tax Prior to TSA

\$10,302

2017 True Tax

\$78,799

2017 Stabilized Tax Payment

\$19,860

Tax Status

Current

End Date of Agreement

12/31/2021

210 Westminster Street
Plat 20, Lot 154

Lerner Associates LLC

Approval Date: November 8, 2002
Extended: October 23, 2014



Assessed Valuation (12/31/16)	\$1,259,400
Actual Tax Prior to TSA	\$19,404
2017 True Tax	\$46,220
2017 Stabilized Tax Payment	\$11,649
Tax Status	Current
End Date of Agreement	12/31/2020

65 Eddy Street
(Plat 20, Lot 382)

Peerless Lofts LLC

Approval Date: November 22, 2002
Extension Approved October 23, 2014



Assessed Valuation (12/31/16)

\$15,256,900

Actual Tax Prior to TSA

\$80,100

2017 True Tax

\$559,928

2017 Stabilized Tax Payment

\$141,126

Tax Status

Current

End Date of Agreement

12/31/2022

GTECH

10 Memorial Boulevard
Plat 19, Lot 109

10 Memorial Blvd Owner, LLC

Approved: July 15, 2003



Assessed Valuation (12/31/16)

\$55,319,800

Actual Tax Prior to TSA

\$236,619

2017 True Tax

\$2,030,237

2017 Stabilized Tax Payment

\$1,200,000

Tax Status

Current

End Date of Agreement

12/31/2026

RENAISSANCE PROVIDENCE
DOWNTOWN HOTEL

5 Avenue of the Arts
Plat 4, Lot 260

RP Owner, LLC

Approval Date: July 15, 2003



Assessed Valuation (12/31/16)

\$49,372,500

Actual Tax Prior to TSA

\$79,072

2017 True Tax

\$1,814,439

2017 Stabilized Tax Payment

\$498,154

Tax Status

Current

End Date of Agreement

12/31/2025

RISING MILLS PROJECT

166 Valley Street
Plat 62, Lot 598

166 Valley Street LLC

Approval Date: December 31, 2003
Extension: August 5, 2016



Assessed Valuation (12/31/16)

\$17,181,500

Actual Tax Prior to TSA

\$91,763

2017 True Tax

\$630,561

2017 Stabilized Tax Payment

\$80,535

Tax Status

Current

End Date of Agreement

12/31/2021

Waterplace/BCBSRI

100 Exchange Street
Plat 19, Lot 102

Allogenic Holdings, LLV

Approval Date: January 16, 2004



Assessed Valuation (12/31/16)

\$106,461,041

Actual Tax Prior to TSA

\$91,763

2017 True Tax

\$3,907,120

2017 Stabilized Tax Payment

\$2,844,933

Tax Status

Current

End Date of Agreement

12/31/2023

203 Weybosset Street

203 Weybosset Street
Plat 20, Lot 176

Sampalis Realty LLC

Approval Date: August 1, 2005



Assessed Valuation (12/31/16)

\$758,200

Actual Tax Prior to TSA

\$12,565

2017 True Tax

\$27,826

2017 Stabilized Tax Payment

\$41,938

Tax Status

Current

End Date of Agreement

12/31/2024

65 Pavillion

35 Hylestead Street
Plat 54, Lot 155

65 Pavillion, LLC

Approval Date: August 1, 2005



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$740,600

\$13,345

\$27,180

\$9,752

Current

12/31/2016

1 Park Row West
25 Park Row West
(Plat 4, Lot 261 & 263)

261 LLC

Approval Date: March 11, 2005
Amended March 8, 2010

Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement



\$25,479,800

\$518,247

\$935,109

\$624,588

Current

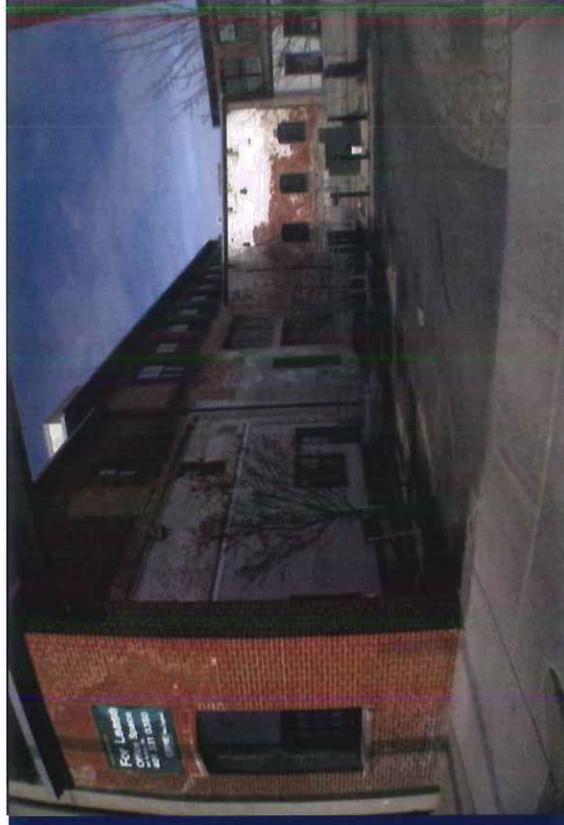
12/31/2023

60 VALLEY STREET

60 Valley Street
(Plat 35, Lot 572 & 573)

Riverfront Capital, LLC

Approval Date: September 26, 2006
EXTENSION: August 5, 2016



Assessed Valuation (12/31/16)

\$3,216,800

Actual Tax Prior to TSA

\$14,333

2017 True Tax

\$118,057

2017 Stabilized Tax Payment

\$11,730

Tax Status

Current

End Date of Agreement

12/31/2021

1 SIMS AVENUE

1 Sims Avenue
(Plat 27, Lot 273)

Milhaus LLC

Approval Date: January 8, 2007



Assessed Valuation (12/31/16)

\$413,300

Actual Tax Prior to TSA

-

2017 True Tax

\$15,168

2017 Stabilized Tax Payment

\$19,641

Tax Status

Current

End Date of Agreement

12/31/2016

200 Allens Avenue
Plat 46, Lot 630

RI State Pier Properties

Approval Date: January 8, 2007



Assessed Valuation (12/31/16)

\$1,900,500

Actual Tax Prior to TSA

\$74,754

2017 True Tax

\$69,748

2017 Stabilized Tax Payment

\$26,684

Tax Status

Current

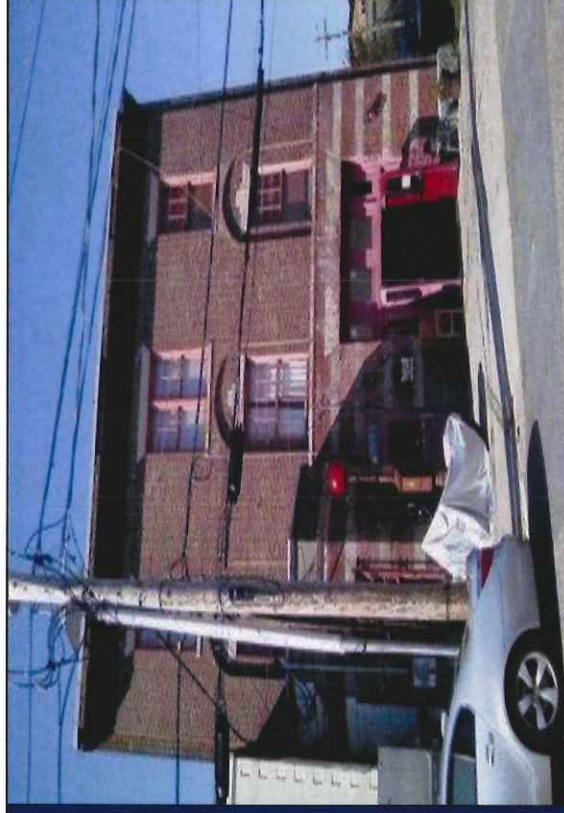
End Date of Agreement

12/31/2024

41 Central Street

(Plat 30, Lot 686)

Yet Another LLC - Art Recreation Center
Approval Date: April 16, 2007



Assessed Valuation (12/31/16)

\$312,300

Actual Tax Prior to TSA

\$12,879

2017 True Tax

\$11,461

2017 Stabilized Tax Payment

\$8,187

Tax Status

Current w/ late charges due

End Date of Agreement

12/31/2024

125 Washington Street
(Plat 25, Lot 170)
Mercantile Block Association LLC
Approval Date: 11/16/2009



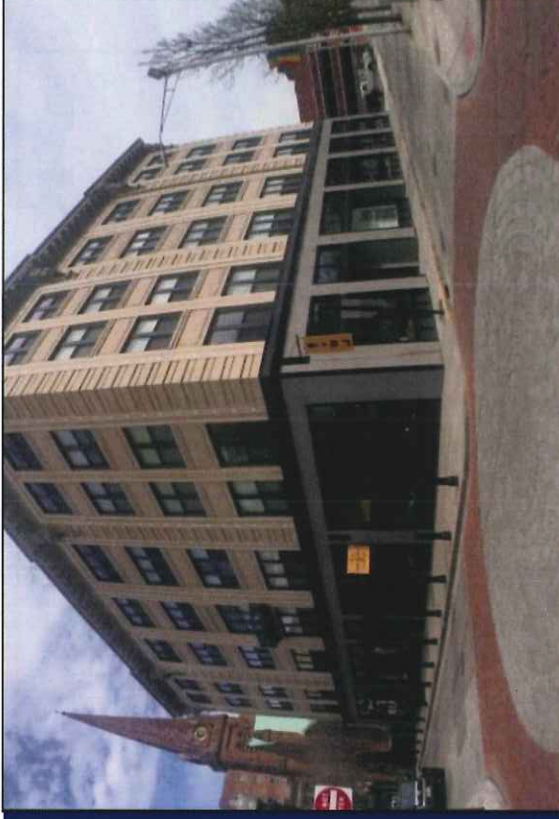
Assessed Valuation (12/31/16)	\$2,519,600
Actual Tax Prior to TSA	\$58,696
2017 True Tax	\$92,469
2017 Stabilized Tax Payment	\$34,248
Tax Status	Current
End Date of Agreement	12/31/2020

KINSLEY BUILDING

326 Westminster Street
Plat 24, Lot 411

Downtown Revitalization Fund I LLC

Approval Date: June 26, 2014



Assessed Valuation (12/31/16)

\$3,665,600

Actual Tax Prior to TSA

\$0

2017 True Tax

\$134,528

2017 Stabilized Tax Payment

\$0

Tax Status

n/a

End Date of Agreement

12/31/2026

South Street Station Project

350 Eddy Street
Plat 21, Lot 430

CV South Street Landing, LLC

Approval Date: June 26, 2014



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$2,752,700

\$11,649

\$101,024

\$128,088

Current

12/31/2028

<div><div>The Foundry</div><div>25 Holden Street Plat 4, Lot 255 & 256</div><div>Sharpe Building Associates, LLC</div><div>Approval Date: July 2, 2014</div></div>	
Assessed Valuation (12/31/16)	\$18,006,400
Actual Tax Prior to TSA	\$129,610
2017 True Tax	\$660,835
2017 Stabilized Tax Payment	\$67,491
Tax Status	Current
End Date of Agreement	7/1/2024

825 Chalkstone Avenue
Plat 25, Lot 166

Prospect CharterCARE RWMC, LLC

Approved: July 2, 2014



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$122,029,500

\$0

\$4,478,483

\$2,300,000

Current

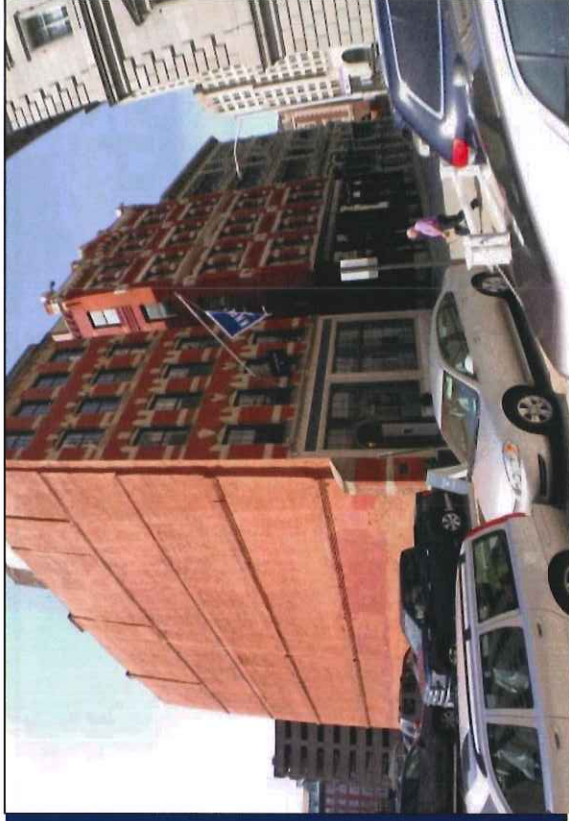
12/31/2025

Custom House

32 Custom House Street
Plat 20, Lot 88

HM Ventures Group, LLC

Approved: July 6, 2015



Assessed Valuation (12/31/16)

\$1,586,500

Actual Tax Prior to TSA

\$29,984

2017 True Tax

\$58,225

2017 Stabilized Tax Payment

\$28,269

Tax Status

Current

End Date of Agreement

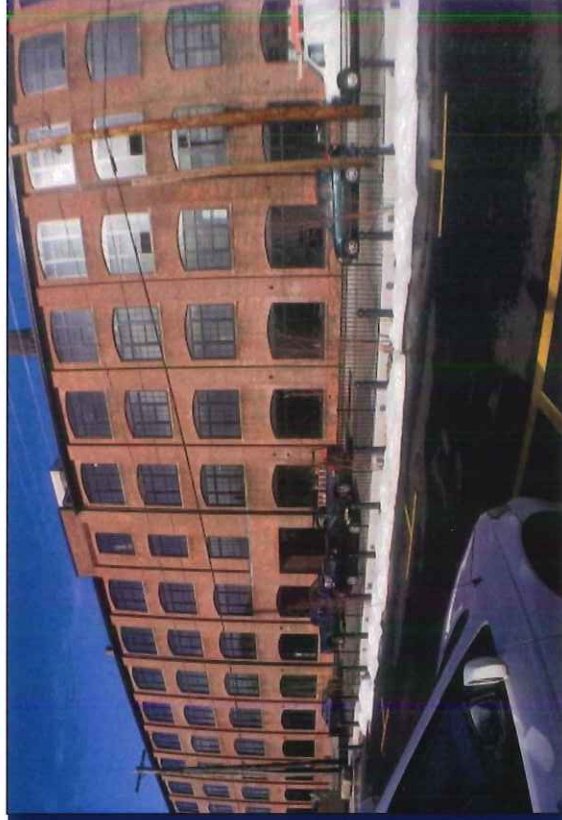
12/31/2029

Armory Kitchen

55 Cromwell Street
Plat 30, Lot 411

Cromwell Ventures LLC

Approved: September 11, 2015



Assessed Valuation (12/31/16)

\$3,581,400

Actual Tax Prior to TSA

\$15,567

2017 True Tax

\$131,437

2017 Stabilized Tax Payment

\$15,567

Tax Status

Current

End Date of Agreement

12/31/2029

South Street Landing Project

342 Eddy Street
Plat 21, Lot 452

CV SSL Garage LLC

Approval Date: December 22, 2015



Assessed Valuation (12/31/16)

\$3,925,600

Actual Tax Prior to TSA

\$0

2017 True Tax

\$144,070

2017 Stabilized Tax Payment

\$28,269

Tax Status

Current

End Date of Agreement

12/31/2028

South Street Landing Project
2 South Street
11 & 15 Point Street
Plat 21, Lots 454
CV Riverhouse, LLC

Approval Date: December 22, 2015



Assessed Valuation (12/31/16)

\$3,592,400

Actual Tax Prior to TSA

\$140,935

2017 True Tax

\$131,841

2017 Stabilized Tax Payment

\$141,506

Tax Status

Current

End Date of Agreement

12/31/2028

Marriott Residence Inn

111 Fountain Street
(Plat 25, Lot 422)

PRI XII, LP c/o Procaccinati Group LLC

Approval Date: 12/28/ 2015



Assessed Valuation (12/31/16)

\$1,681,400

Actual Tax Prior to TSA

\$58,646

2017 True Tax

\$61,707

2017 Stabilized Tax Payment

\$58,646

Tax Status

Current

End Date of Agreement

12/31/2026

McKinnis USA, Inc.

39 New York Avenue
(Plat 56, Lot 351)

ProvPort, Inc.

Approved: March 23, 2016



Assessed Valuation (12/31/16)

Actual Tax Prior to TSA

2017 True Tax

2017 Stabilized Tax Payment

Tax Status

End Date of Agreement

\$2,477,300

\$0

\$90,917

\$50,000

Current

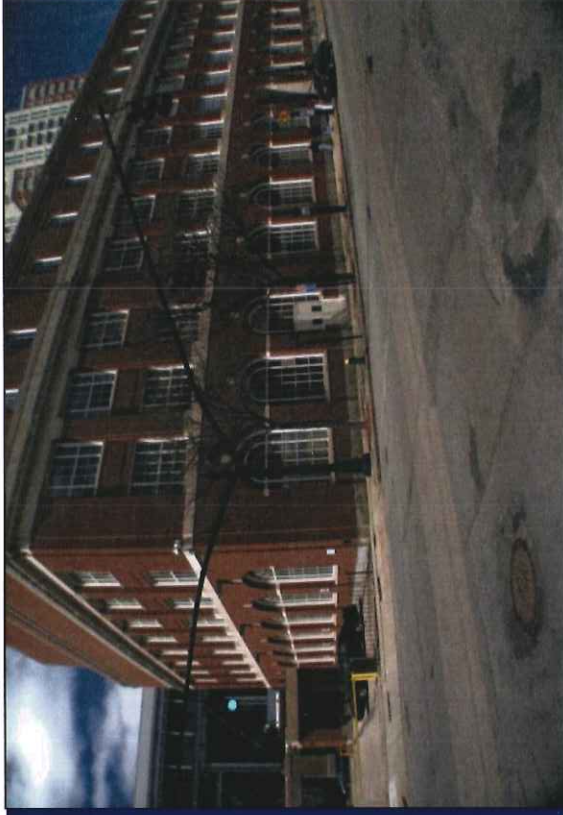
12/31/2026

Journal Building

75 Fountain Street
Plat 25, Lot 236

Fountainview Owner, LLC

Approved: April 15, 2016



Assessed Valuation (12/31/16)

\$11,011,200

Actual Tax Prior to TSA

\$205,102

2017 True Tax

\$404,111

2017 Stabilized Tax Payment

\$220,500

Tax Status

Current

End Date of Agreement

12/31/2029

225 Weybosset Street
Plat 24, Lot 417

HM Ventures Group, LLC
Approved: January 27, 2017



Assessed Valuation (12/31/16)

\$874,700

Actual Tax Prior to TSA

\$29,466

2017 True Tax

\$32,101

2017 Stabilized Tax Payment

n/a

Tax Status

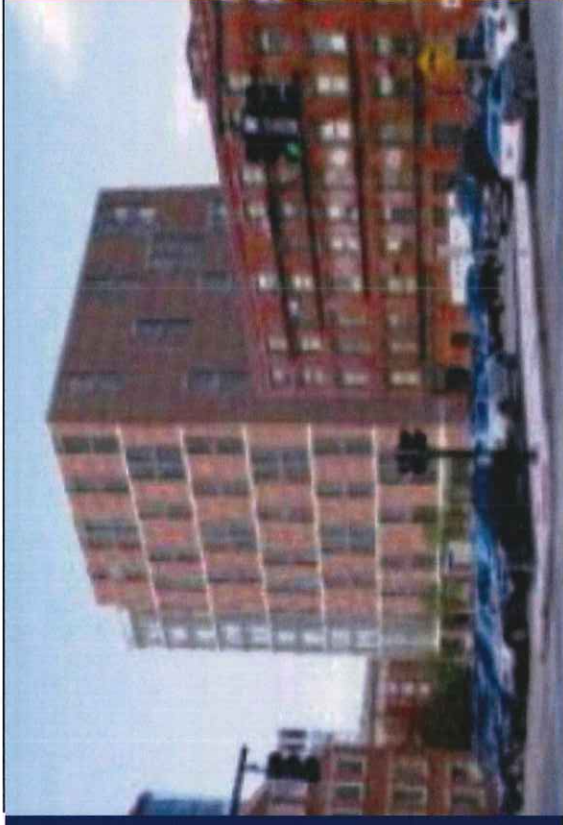
Current

End Date of Agreement

12/31/2027

169 Canal Street/ 100 North Main Street
 Plat 10, Lots 706 & 707

110 North Main Street, LLC
 Approved: June 6, 2017



Assessed Valuation (12/31/16)	\$2,989,400
Actual Tax Prior to TSA	\$105,964
2017 True Tax	\$109,711
2017 Stabilized Tax Payment	n/a
Tax Status	Current
End Date of Agreement	12/31/2035

68 Dorrance Street
Plat 20, Lot 136

Case Mead Assoc LLC

Approved: June 19, 2017



Assessed Valuation (12/31/16)

\$1,391,900

Actual Tax Prior to TSA

\$51,083

2017 True Tax

\$51,083

2017 Stabilized Tax Payment

n/a

Tax Status

Current

End Date of Agreement

12/31/2029

78 Fountain Street

78 Fountain Street
(Plat 25, Lot 164, 454 & 455)

78 Fountain JV Owner, LLC

Approval Date: 7/31/ 2017



Assessed Valuation (12/31/16)

\$2,499,400

Actual Tax Prior to TSA

\$48,639

2017 True Tax

\$91,728

2017 Stabilized Tax Payment

\$48,639

Tax Status

Current

End Date of Agreement

12/31/2036

259 Weybosset Street
(Plat 24, Lot 423)

Weybosset LLC

Approved: July 31, 2017



Assessed Valuation (12/31/16)

\$715,200

Actual Tax Prior to TSA

\$26,248

2017 True Tax

\$26,248

2017 Stabilized Tax Payment

\$26,248

Tax Status

Current

End Date of Agreement

12/31/2026

APPENDIX A

ADMINISTRATIVE TSAs

AUTHORIZED UNDER

**Tax Stabilization for Commercial and Residential Property
for Property Under the Authority of the
I-195 Redevelopment District Commission
Chapter 2015-28**

Address	Plat/Lot	Property Owners	Date Approved
39 & 45 Pike St.	18/19 & 354	Royal Oaks Realty, LLC	4/28/2016
80 Smith St.	4/262	226, LLC	6/10/2016
5 Exchange St.	19/120	Exchange Street Hotel, LLC	1/10/2017
225 Dyer Street	20/395 & 396	Providence Innovation District Phase I Owner, LLC	9/14/2017

THIS PAGE INTENTIONALLY LEFT BLANK

CHAPTER 2015-28

No. 400 AN ORDINANCE AMENDING CHAPTER 21, "REVENUE AND FINANCE," TO ADD ARTICLE XVI, "TAX STABILIZATION FOR COMMERCIAL AND RESIDENTIAL PROPERTY" FOR PROPERTY WITHIN THE I-195 REDEVELOPMENT DISTRICT COMMISSION AND THE CAPITAL CENTER REDEVELOPMENT DISTRICT

Approved July 23, 2015

Be it ordained by the City of Providence:

SECTION 1. Chapter 21, "Revenue and Finance," is hereby amended to add Article XVI, "Tax Predictability for Commercial and Multi-Family Residential Property" as follows:

Sec. 21-260. Authorization and Purpose.

- (a) *Authorization.* The city council has the authority, under Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt from tax payment, in whole or in part, real and personal property which has undergone environmental remediation, is historically preserved, or is used for affordable housing, manufacturing, commercial, or residential purposes, 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.
- (b) *Purpose.* In order to increase the pace of economic development, and thereby increase the city's tax base, it is vital that city provide property developers, entrepreneurs and investors with a predictable tax phase-in plan that will encourage investment in Providence. It is therefore in the public interest to develop a set of clear criteria for eligibility for tax stabilization, as well as a defined long-term plan to bring a project to full taxation.

Sec. 21-261. Eligible Properties.

Eligible properties shall:

- (a) Be located on land as defined in RIGL 37-5-8 and 42-64.14-4 ("I-195 redevelopment district") and may include properties that directly abut and are contiguous with I-195 redevelopment land, as defined in RIGL 42-64.14-15; or
- (b) Be located on undeveloped land within the Capital Center Special Development District, as defined in Chapter 2, Article XXIII, Sec. 2-362 of the Code of Ordinances of the City of Providence; and
- (c) Include new construction (excluding land acquisition costs) with a construction valuation of at least \$10,000,000; or the rehabilitation of commercial or multi-family residential property with a cost of construction of at least \$10,000,000.

Sec. 21-262. Criteria

The director of department of inspections and standards shall make the determination whether the subject property or project meets the minimum requirements in accordance with Section 21-261. Owners of eligible properties and projects are required to begin construction within twelve (12) months and complete construction within three (3) years of the effective date of the subject stabilization. For the purposes of the foregoing sentence, a temporary certificate of occupancy shall be sufficient. Owners of properties and projects that fail to meet any of these deadlines will be required retroactively to pay the difference between their actual stabilized tax payments and what they would have paid if ineligible for the specified tax considerations. The owner may, twelve (12) months prior to the applicable deadline, submit a request to the city council for approval of an extension to such applicable deadline.

Sec. 21-263. Tax Considerations and Stabilization Period.

- (a) Commercial and Residential Projects-Standard. The tax assessor shall determine the land valuation at project site, prior to commencement of the stabilization period. The tax assessor will then establish the "base land tax" based on the valuation. Should a project or portion of a project site be subject to property taxes prior to the commencement of the stabilization period, that tax amount shall be considered as the "base tax." Assessed tax payments upon enactment of the base land tax will begin in year 2 of the stabilization period and be frozen for 3 (three) years. The assessor shall issue a bill beginning in the fifth tax year after the commencement date, based upon the property's valuation at that time. Tax payments will be calculated as a percentage of the total tax at the annual tax rate, with a phased-in schedule, as shown below. Projects described in this subsection shall require a signed agreement, between the applicant and the city. Upon issuance of a certificate of occupancy by the department of inspection and standards, the city assessor shall assess the project, and the project shall be reassessed according to the city's regular revaluation cycle. In order to allow sufficient time for construction and project stabilization, following approval of an eligible property for tax stabilization in accordance with this ordinance, the stabilization shall last for a period of fifteen (15) years from the date the subject stabilization agreement is executed. Stabilized annual property tax payments on properties defined in Sec. 21-261 (a) that are outside the I-195 redevelopment district shall be calculated by the tax assessor and may not be less than the annual real property taxes paid in any of the three years prior to the commencement of the stabilization period.

Year	Schedule
1	\$0/Base Tax (If applicable)
2	Base Tax and/or Base Land Tax
3	Base Tax and/or Base Land Tax
4	Base Tax and/or Base Land Tax
5	Base Tax and/or Base Land Tax + 5% of increase to assessed valuation
6	Base Tax and/or Base Land Tax + 10% of increase to assessed valuation
7	Base Tax and/or Base Land Tax + 20% of increase to assessed valuation
8	Base Tax and/or Base Land Tax + 30% of increase to assessed valuation
9	Base Tax and/or Base Land Tax + 40% of increase to assessed valuation
10	Base Tax and/or Base Land Tax + 50% of increase to assessed valuation
11	Base Tax and/or Base Land Tax + 60% of increase to assessed valuation
12	Base Tax and/or Base Land Tax + 70% of increase to assessed valuation
13	Base Tax and/or Base Land Tax + 80% of increase to assessed valuation
14	Base Tax and/or Base Land Tax + 90% of increase to assessed valuation
15	Full Taxation

- (b) Commercial Projects-Job Creation. New construction of commercial property on land in the I-195 redevelopment district with a cost of construction of at least \$50,000,000, may be eligible for a tax stabilization period of twenty (20) years under the following criteria:

- (1) The first five projects authorized by the I-195 Redevelopment District Commission with a construction cost of \$50,000,000 or greater shall be eligible for a tax stabilization period of twenty (20) years through an application process that requires no approvals by the city council or mayor.
- (2) Subsequent projects after the initial five may be eligible for up to twenty (20) years, the terms of which shall be subject to approval by ordinance by the city council and mayor. Projects with an estimated creation of 150 or more permanent jobs, will be preferred.
- (3) The tax assessor shall determine the land valuation at project site, prior to commencement of the stabilization period, for the purpose of establishing a base tax or base land tax, whichever is greater. Upon issuance of a certificate of occupancy by the department of inspection and standards, the tax assessor shall assess the project, and the project shall be reassessed according to the city's regular revaluation cycle.

Tax payments will be calculated as a percentage of the total tax at the annual tax rate, with a phased-in schedule, as shown below.

Year	Schedule
1	\$0/Base Tax (if applicable)
2	\$0/Base Tax (if applicable)
3	\$0/Base Tax (if applicable)
4	Base and/or Base Land Tax
5	Base and/or Base Land Tax
6	Base and/or Base Land Tax + 6.5%
7	Base and/or Base Land Tax + 13.0%
8	Base and/or Base Land Tax + 19.5%
9	Base and/or Base Land Tax + 26.0%
10	Base and/or Base Land Tax + 32.5%
11	Base and/or Base Land Tax + 39.0%
12	Base and/or Base Land Tax + 45.5%
13	Base and/or Base Land Tax + 52.0%
14	Base and/or Base Land Tax + 58.5%
15	Base and/or Base Land Tax + 65.0%
16	Base and/or Base Land Tax + 71.5%
17	Base and/or Base Land Tax + 78.0%
18	Base and/or Base Land Tax + 84.5%
19	Base and/or Base Land Tax + 91.0%
20	Full Taxation

Sec. 21-264. Transfer of exempt or stabilized property.

Tax benefits for eligible properties shall be transferable to new owners or tenants, but the duration of the tax consideration period shall not be extended (unless otherwise approved by the city council). In the event that the tax stabilized property becomes exempt from real estate taxes during the term of tax stabilization through conveyance, or otherwise, to a real estate tax exempt entity, the tax stabilization agreement shall be void ab initio with owners of tax stabilized properties being liable for full taxes retroactively to the execution date of the tax stabilization agreement.

In the event that a project owner transfers a project site to a tax exempt entity within the five-year period immediately following the expiration of the agreement, the project owner agrees to pay a percentage of the sale price to the city as follows: five percent (5%) of the sale price if the project site is sold to a tax exempt entity in the first year following expiration; four percent (4%) of the sale price if sold to a tax exempt entity in the second year; three percent (3%) of the sale price if sold to a tax exempt entity in the third year; two percent of the sale price if sold to a tax exempt entity in the fourth year; one percent (1%) of the sale price if sold to a tax exempt entity in the fifth year.

Sec. 21-265. Forms and procedures.

The city assessor, together with the director of the department of planning and development, shall develop standardized forms and additional procedures consistent with this ordinance, as they deem necessary and proper to effectuate the terms and provisions of this ordinance. The executive director of the I-195 Redevelopment District Commission, or his or her designee, shall participate in the formulation of and periodic review over the implementation of the conditions set forth in Sec. 21-266. Further, on-going compliance and monitoring shall be the responsibility of the city, but any ongoing reporting shall be shared with the I-195 Redevelopment District Commission at regular intervals.

The procedure for eligible properties under this section shall be as follows:

- (a) No person shall be entitled to any exemption herein authorized without first filing an application for tax stabilization with the office of the city assessor. The application shall include the program of building, alterations and/or improvements to be made. The applicant shall include a statement outlining measures to comply with the code of ordinances, and a statement regarding the hiring of minority and women business enterprises (MBE/WBE) pursuant to Section 21-52 of the Code of Ordinances. No application shall be considered unless:
 - (1) The application is filed prior to the issuance of the certificate of occupancy;
 - (2) The applicant certifies that the investment of new construction (excluding land acquisition costs) meets the minimum required value of \$10,000,000 or that the rehabilitation of commercial or multi-family residential meets the minimum cost of construction of \$10,000,000;
 - (3) The application includes a compliance plan demonstrating how the applicant will fulfill each of its community benefit responsibilities as outlined in Sec. 21-266.
 - (4) A fiscal note prepared by the department of finance or the internal auditor is attached to the application, comparing the proposed project's "true tax" and the estimated tax to be paid under the terms of the tax stabilization agreement.
 - (5) A nonrefundable application fee in the amount of 0.1 percent of the estimated cost of the project is to be paid to the city; and
 - (6) For projects applying for a stabilization under 21-263 (b), a detailed business plan, including revenue projections and estimated number of permanent employees at project site.
- (b) Within fifteen (15) days of receipt of a completed application (together with the application fee), the city assessor shall forward a copy of such application to the director of department of inspections and standards, city collector, and director of the department of planning and development for their respective review, as follows:

(1) The director of department of inspection and standards shall review the application to determine whether any violations of the provisions of the building code of the city exist with respect to the subject property of the applicant and any other property in the city owned by the applicant. If no violations exist, he or she shall certify the fact to the city assessor within fifteen (15) days. If violations do exist, within said fifteen (15) days, he or she shall forward a statement to the city assessor and the applicant specifying the nature and extent of the violations. No exemptions granted hereunder shall be effective unless and until any and all such violations have been cured. Within the same fifteen (15)-day period, the director of department of inspections and standards shall issue a letter to the city assessor (with a copy to the applicant) stating whether the project will involve the substantial rehabilitation of an eligible property.

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any outstanding violations or other matters which serve as a valid basis (in accordance with this subsection (b) for the building official not approving the subject application. Failure by the applicant to effectuate such cure(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

(2) The city collector shall review the city tax records to determine whether all taxes (together with interest and penalties) which are due and owed to the city with respect to the property to which the exemption may apply, and all other property in the city owned by the applicant, have been paid. If no deficiency exists, the city collector shall certify that fact to the city assessor within fifteen (15) days. If deficiencies do exist, within said fifteen (15) days, he or she shall forward a statement of the amounts due and the properties involved to the city assessor and the applicant. No exemption granted hereunder shall be effective unless and until any and all taxes together with interest and penalties remaining unpaid and due and owed to the city assessed on such property have been paid in full to the city, or the applicant enters into a written payment agreement with the city.

The applicant shall have thirty (30) days from its receipt of written notice (of copy of notice to the city assessor) of a deficiency or deficiencies to pay any and all amounts due to the city. Failure by the applicant to make such payment(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

Should, during the duration of the tax consideration period, tax payments established by the terms of this agreement become delinquent, the city collector shall—if the property owner is eligible—to secure a tax payment plan with the property owner that will bring all taxes and interest current within twelve (12) months in duration. Should the property owner not agree to said payment plan or adhere to the schedule and requirements of the payment plan, the tax stabilization agreement will be suspended and the property will revert to full taxation for the period in which the taxes are delinquent.

The applicant shall be current with all taxes and fees due to the state of Rhode Island. No exemption granted hereunder shall be effective unless and until any and all taxes and fees together with interest and penalties remaining unpaid and due and owed to the state have been paid in full or the applicant enters into a written payment agreement with the state.

(3) The director of the department of planning and development shall review the application to determine whether:

- i. it satisfactorily addresses the requirements in Section 21-266; and
- ii. the applicant is the recipient of other forms of financial assistance from the city, and if so, whether the applicant is current with loan payments and/or other financial obligations to the city as a result of such assistance.

If no material deficiency exists, the director of the department of planning and development shall certify that fact to the city assessor within fifteen (15) days. If a material deficiency exists, the director of the department of planning and development, within said fifteen (15) days, shall forward a statement to the city assessor and the applicant specifying the nature and extent of the material deficiency. The director of the department of planning and development shall confirm that the applicant is not the recipient of other forms of financial assistance from the city.

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any material deficiency noted by the director of the department of planning and development. Failure by the applicant to resolve such material deficiency within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

NOTE: Steps (1), (2) and (3) may be performed concurrently.

- (c) Within fifteen (15) days following the receipt of the statements from the director of department of inspections and standards, city collector, and director of department of planning and development, the assessor will review the application and, if the foregoing requirements set forth in Section 21-265 (a-b) have been met (as evidenced by the required certifications and determinations of the assessor, director of department of inspections and standards, city collector, and director of department of planning and development, as more particularly set forth above), the assessor shall forward documentation to the city solicitor.
- (d) The city solicitor shall prepare a tax stabilization agreement with the applicant pursuant to, and upon the terms set forth in this ordinance. Within fifteen (15) days following the receipt of documentation from the assessor, the city solicitor shall submit the stabilization agreement and application, along with all documents, forms, and statements required in (a), (b), and (c) of this subsection, to the city council, for review as to form only. Review and official receipt by the city council shall be completed within thirty (30) days of city solicitor's transmittal to the city council, unless the city council finds a material deficiency in the application or associated documents.

In the case of a project applying for a tax stabilization under Sec. 21-263 (b) (2), the city solicitor shall prepare an ordinance outlining the provisions of the tax stabilization agreement with the applicant pursuant to, and upon the terms set forth in this ordinance. Said tax stabilization agreement ordinance shall be subject to approval of the city council.

- (e) All tax stabilization agreements shall contain a provision providing that the receipt of the tax stabilization benefits shall be contingent upon the project receiving the necessary approvals from the Historic District Commission, the Downtown Design Review Committee, the Capital Center Commission, the City Plan Commission, the Zoning Board of Review, or the I-195 Redevelopment Commission acting as any or all of these boards or commissions (as applicable). The director of the department of planning and development shall provide to the city solicitor confirmation of approval, and any and all benefits shall be withheld under such approvals are granted.

- (f) All tax stabilization agreements shall include a monitoring/compliance fee in the amount of 0.01 percent of the cost of the project is to be paid annually for the term of the agreement to the city.

Sec. 21-266. Employment and Contracts.

(a) Construction.

(1) MBE/WBE. The project site owner shall make a good faith effort to award to minority business enterprises as defined in Rhode Island General Laws, Section 31-14.1 ("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 MBE Act). The project site owner shall make a good faith effort to award to women business enterprises (WBEs) 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). The project site owner will request the city's MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the city will assist the project site owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

(2) Apprenticeship. The developer or project owner shall ensure that one-hundred percent (100%) of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty percent (20%) of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing.

The developer or project owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The developer or project owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the department of planning and development quarterly verification reports to ensure compliance with this section.

The developer or project owner, its construction manager or general contractor or other authorized person/entity may petition the city department of planning and development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or

- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

(3) Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the project site shall annually receive either a W-2 statement or an IRS Form 1099.

(4) First Source List. Pursuant to Chapter 21-93 of the code of ordinances of the city, the project site owner shall enter into a First Source agreement covering the hiring of employees necessary to complete the proposed project and throughout the term of the tax stabilization agreement. The project site owner shall work in conjunction with the First Source director to develop the First Source agreement. The owner shall also make a good faith effort to employ Rhode Island and Providence residents for any and all positions not included in its First Source obligations, as well as ensure that any general contractor/construction manager and all subcontractors utilized also make good faith efforts to employ Rhode Island and Providence residents for any and all positions not included in their First Source obligations.

(5) "Buy Providence" Initiative. The project site owner will use good faith efforts to ensure that construction materials are purchased from economically competitive and qualified vendors located in the city of Providence. In furtherance of this effort, the project site owner will work with the city to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the project. Furthermore, once the project site owner constructs the development, the project site owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses.

(6) In the event that there shall be a failure to comply with this Section 21-266 (a), the department of planning and development shall have standing to seek enforcement of this provision of the ordinance in the Rhode Island Superior Court. The department shall also have the ability to impose a fine of \$500.00 per day for each day of non-compliance with this section.

- (b) Permanent Employment. In conjunction with its efforts pursuant to this section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, natural origin, sex, age or handicap, the project site owner shall liaise with the city and with the director of First Source to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all of its employment positions.
- (c) Reporting. The project site owner, the director of planning and development, the director of First Source, and the a representative of the third party entity monitoring apprenticeship requirements shall annually report to the city council on progress in complying with the provisions of this ordinance, including but not limited to, Section 21-266.

Sec. 21-267. 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.

Sec. 21-268.

The project site owner and the city agree that the project site owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time.


Section 21-269. Severability.

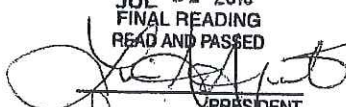
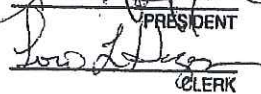
If any one section of this ordinance is found to be unenforceable, then the other provisions herein shall continue to have the same force and effect as if the unenforceable provision were not passed as part of this ordinance.

Section 21-270. Applicable Law.

This agreement shall be construed under the laws of the State of Rhode Island.

SECTION 2. This Ordinance shall become effective immediately upon passage.

IN CITY COUNCIL
JUL 16 2015
FIRST READING
READ AND PASSED
 CLERK

IN CITY
COUNCIL
JUL 22 2015
FINAL READING
READ AND PASSED
 PRESIDENT
 CLERK

I HEREBY APPROVE.

Date: 
Mayor
7/23/15

THIS PAGE INTENTIONALLY LEFT BLANK

Royal Oaks Realty, LLC

39 & 45 PIKE STREET

PLAT 18, LOTS 354 & 19

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Royal Oaks Realty, LLC ("Royal Oaks") (collectively, "the parties").

WITNESSETH:

WHEREAS, Royal Oaks is the owner of certain real property located in the City of Providence at 39 & 45 Pike Street, also known as Assessor's Plat 18 Lots 354 & 19; and

WHEREAS, Royal Oaks has proposed and promised to construct new building structures and/or improvements on its property and return the property to productive commercial use in accordance with the construction plans already submitted to the City by Royal Oaks; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-28, No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Royal Oaks to construct a new seven (7) story building, consisting of approximately 11,000 square feet of mixed use space including at least 47 residential apartment units, along with retail, office space and common areas; thereby improving the physical plant of the City which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Royal Oaks to expend \$11,975,000.00 in order to carry out the construction at 39 & 45 Pike Street to increase the pace of economic development within the City and State, and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth in this document and other good and lawful consideration, of which the parties acknowledge receipt, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 39 & 45 Pike Street also known as Assessor's Plat 18 Lots 354 & 19.

"Property Owner" shall mean Royal Oaks, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2029. (Tax Years 2017- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2017, 2018, 2019, and 2020 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$918,800.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$918,800.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq. ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that at least fifty percent (50%) of the hours worked on the Property shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq.

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Property are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-

42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or

- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Royal Oaks Realty, LLC
 10 Greene Street
 Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-

9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Royal Oaks and the City have executed this Agreement.

ROYAL OAKS REALTY, LLC	CITY OF PROVIDENCE
By: <u>Richard Baccari II</u> Manager	By: <u>[Signature]</u> Authorized Signature
By: <u>Royal Oaks Realty LLC</u>	
By: <u>[Signature]</u> Authorized Signature	
Print Name: <u>Richard Baccari II</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Manager</u>	Title: <u>Mayor of Providence</u>
Address: <u>Royal Oaks Realty, LLC</u>	Address: <u>City Hall</u>
<u>10 Greene Street</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02903</u>	<u>Providence, RI 02903</u>
Date: <u>4/28/16</u>	Date: _____
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2017	\$33,766	\$0.00		\$33,766
2018	\$33,766	\$0.00		\$33,766
2019	\$33,766	\$0.00		\$33,766
2020	\$33,766	\$0.00		\$33,766
2021	\$33,766	5% of (2021 Assessment Value-\$918,800) * 2021 Commercial Tax Rate	\$33,766.00 plus 5% of (2021 Assessment Value-\$918,800) * 2021 Commercial Tax Rate	\$33,766
2022	\$33,766	10% of (2022 Assessment Value-\$918,800) * 2022 Commercial Tax Rate	\$33,766.00 plus 10% of (2022 Assessment Value-\$918,800) * 2022 Commercial Tax Rate	\$33,766
2023	\$33,766	20% of (2023 Assessment Value-\$918,800) * 2023 Commercial Tax Rate	\$33,766.00 plus 20% of (2023 Assessment Value-\$918,800) * 2023 Commercial Tax Rate	\$33,766
2024	\$33,766	30% of (2024 Assessment Value-\$918,800) * 2024 Commercial Tax Rate	\$33,766.00 plus 30% of (2024 Assessment Value-\$918,800) * 2024 Commercial Tax Rate	\$33,766
2025	\$33,766	40% of (2025 Assessment Value-\$918,800) * 2025 Commercial Tax Rate	\$33,766.00 plus 40% of (2025 Assessment Value-\$918,800) * 2025 Commercial Tax Rate	\$33,766
2026	\$33,766	50% of (2026 Assessment Value-\$918,800) * 2026 Commercial Tax Rate	\$33,766.00 plus 50% of (2026 Assessment Value-\$918,800) * 2026 Commercial Tax Rate	\$33,766
2027	\$33,766	60% of (2027 Assessment Value-\$918,800) * 2027 Commercial Tax Rate	\$33,766.00 plus 60% of (2027 Assessment Value-\$918,800) * 2027 Commercial Tax Rate	\$33,766
2028	\$33,766	70% of (2028 Assessment Value-\$918,800) * 2028 Commercial Tax Rate	\$33,766.00 plus 70% of (2028 Assessment Value-\$918,800) * 2028 Commercial Tax Rate	\$33,766
2029	\$33,766	80% of (2029 Assessment Value-\$918,800) * 2029 Commercial Tax Rate	\$33,766.00 plus 80% of (2029 Assessment Value-\$918,800) * 2029 Commercial Tax Rate	\$33,766
2030	\$33,766	90% of (2030 Assessment Value-\$918,800) * 2030 Commercial Tax Rate	\$33,766.00 plus 90% of (2030 Assessment Value-\$918,800) * 2030 Commercial Tax Rate	\$33,766
2031				
FULL TAXATION RESUMES				
* All Years refer to Tax Years.				

THIS PAGE INTENTIONALLY LEFT BLANK

262, LLC

80 SMITH STREET

PLAT 4, LOT 262

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This TAX STABILIZATION AGREEMENT ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and 262 LLC, a Rhode Island limited liability company ("262 LLC" together with the City, collectively, the "parties").

WITNESSETH:

WHEREAS, 262 LLC is the Property Owner (as defined below) of certain real property located in the City of Providence at 80 Smith Street also known as Assessor's Plat 4 Lot 262; and

WHEREAS, 262 LLC has submitted an application for tax exemption and/or stabilization pursuant to state and local law, as set forth in Exhibit A attached hereto and incorporated fully herein by reference; and

WHEREAS, 262 LLC has proposed and promised to construct a new approximately 169 unit Class A residential rental development including four stories of residential above two levels of parking, residential, and amenity space with approximately 170 structured parking spaces in accordance with the construction plans previously submitted to the City by 262 LLC, (the "Project"); and

WHEREAS, under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to § 44-3-9 of the Rhode Island General Laws, the General Assembly authorizes, subject to certain enumerated conditions, the City of Providence by and through its City Council, for a period not to exceed twenty (20) years, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property. Pursuant to §44-3-9, City Council enacted City of Providence Code of Ordinances §21-260 et seq.; and

WHEREAS, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of the willingness of 262 LLC to construct new buildings and facilities, resulting in an increase in residential housing and thereby increase the tax base in the city;

WHEREAS, the Project shall be located on undeveloped land within the Capital Center Special Development District, as defined in Chapter 2, Article XXIII, Sec. 2-362 of the Code of Ordinances of the City of Providence; and

WHEREAS, the Project shall include new construction (excluding land acquisition costs) with a construction valuation of at least \$10,000,000.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 80 Smith Street also known as Assessor's Plat 4 Lot 262.

"Property Owner" shall mean 262 LLC as the holder of the leasehold interest in and to the Property, and/or any entity with legal or equitable right and/or interest (including fee simple or a leasehold interest) in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City of Providence, in accordance with Rhode Island General Laws § 44-3-9 and the City of Providence Code of Ordinances § 21-260 et seq, does hereby grant a fifteen (15) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2015 and terminating on December 31, 2029. (Tax Years 2016- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, The City of Providence has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the rate of tax as follows: For tax year 2016 through and including tax year 2019 the Property Owner shall make a tax payment in the amount of One hundred fifteen thousand and five hundred and fifty-eight and 00/100 Dollars (\$115,558.00) per year. This figure represents a fixed land tax based on a fixed land assessment of \$3,144,441 and a fixed tax rate of \$36.75 per \$1,000.00 of assessed value. For each tax year thereafter, being tax years 2020 through and including 2030, the Property Owner shall make a tax payment in the amount of \$115,558.00 per year + a progressive % per year (as more particularly set forth in Exhibit B attached hereto) of the taxes which would be owed on the buildings, structures, and/or improvements notwithstanding this Agreement. For purposes of this Agreement, the buildings, structures, and/or improvements shall be valued by taking the then current assessed value as determined by the Providence Tax Assessor as it relates to the buildings, structures, and/or improvements and multiplying it by the then current year tax rate.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either

a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City of Providence to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax or affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording; Lien to Run with Land. Upon the execution of this Agreement, the Property Owner hereby acknowledges and confirms the lien on the Property that runs with the land pursuant to Rhode Island General Laws §44-9-1 and such other applicable statutes and ordinances. Additionally, the Property Owner shall cause this Agreement to be recorded at its expense in the official public land evidence records of the City of Providence simultaneous with its execution. This Agreement shall be construed to provide a complete additional alternative method under contract law for the collections of payments due and owing under this Agreement and shall be in addition to the powers conferred by other applicable state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.
Construction shall commence within twelve (12) months and shall be complete within three (3) years of the Effective Date. The Property Owner may, twelve (12) months prior to expiration of the three (3) year deadline for completion of construction, submit a request to the City council for approval of an extension to such deadline, which approval shall not be unreasonably withheld.

Section 3.2. Permits. The Property Owner shall obtain all lawful permits required with regard to the Project.

SECTION 4. TRANSFER OF THE PROPERTY.

Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above unless or until the Property is transferred to a subsequent owner ("Subsequent Owner") and upon such transfer the obligations pursuant to this Agreement shall be that of the Subsequent Owner. Additionally, in accordance with Section 2.7 a lien for taxes will run with the land in favor of the City of Providence regardless of any transfer of ownership. The Property Owner agrees to provide written notice to the City of Providence prior to any transfer of the Property. Moreover, the Property Owner agrees not to transfer the Property to a tax exempt entity for a term no less than that which the Providence City Council is authorized to stabilize taxes.

Notwithstanding the foregoing, other than a Permitted Transfer (defined below), which shall not require the consent of the City, during the Construction Period (defined below), the Property Owner shall be required to obtain the prior written consent of the City (which shall not be unreasonably withheld or conditioned) should the Property Owner desire to transfer the Property to a Subsequent Owner and such Subsequent Owner will not be developing the Property in a manner that is reasonably similar to the Project. For purposes of this Agreement the term (i) "Construction Period" shall mean the period of time from the Effective Date until the Property Owner has obtained a certificate of occupancy from the City for the Project; and (ii) "Permitted Transfer" shall mean a transfer by the Property Owner to an entity which is controlling, controlled by or has common ownership with (directly or indirectly) the Property Owner.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 31- 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 MBE Act). The Property Owner shall make a good faith effort to award to Women Business Enterprises (WBE's) 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). The Property Owner will request the City's MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon the Effective Date in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that one hundred percent (100%) of the hours worked on the Project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty percent (20%) of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and signed by the designated MBE/WBE coordinator within the department of purchasing.

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the City of Providence Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Project shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to chapter 21-93 of the Code of

Ordinances of the City, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement. The Property Owner shall also make a good faith effort to employ Rhode Island and Providence residents for any and all positions not included in its First Source obligations, as well as ensure that any general contractor/construction manager and all subcontractors utilized also make good faith efforts to employ Rhode Island and Providence residents for any and all positions not included in their First Source obligations.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Project are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the Project. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses.

Section 5.6. "Permanent Employment." In conjunction with its efforts pursuant to this section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, national origin, sex, age or handicap, the Property Owner shall liaise with the City and the Director of First Source Providence to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all of its employment positions.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement or the Providence City Council's resolution ratifying this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City of Providence prior to Property Transfer; or

- (F) Transfer of the Property from the Property Owner to a tax exempt entity;
or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations to the City of Providence.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City of Providence shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days from the date that written notice is provided to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within said period of thirty (30) days then the Property Owner shall request an additional reasonable period of time from the City of Providence to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Property Owner and the City of Providence does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City of Providence in its reasonable discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

Original to:

City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903

*Accompanied by 9 copies thereof

Original to:

262 LLC
c/o Robert Drew
45 Haverhill Street
Andover, MA 01810

Joshua Celeste, Esq.
Duffy & Sweeney, LTD
1800 Financial Plaza
Providence RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Tax Obligation Upon Default. In the event of default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City of Providence an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement through the date of such default. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City of Providence.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its lien for taxes as provided under Title 44 of the Rhode Island General Laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2 the Property Owner agrees to waive and forever forgo any and all of its rights and privileges with respect to a tax abatement or reduction under Title 44 of the Rhode Island General Laws. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City of Providence to exercise any rights or remedies, power or privilege at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. Prior to the end of each calendar year during the tax stabilization term, the Property Owner shall provide annual reports to the City of Providence on its progress in complying with the provisions of this Agreement. Specifically, said report shall include a performance report on improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City of Providence may require and request additional information.

Section 9.2. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement. By way of example, if the project cost was \$10,000,000.00, the annual monitoring/compliance fee would be \$1,000.00.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

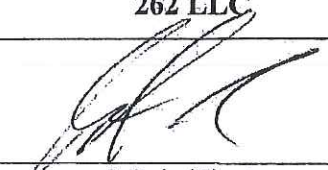
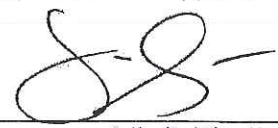
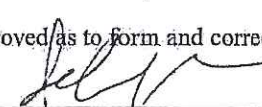
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addendums, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties. This Agreement is contingent upon the Project receiving the necessary approvals from the Historic District Commission, the Downtown Design Review Committee, the Capital Center Commission, the City Plan Commission, the Zoning Board of Review, or the I-195 Redevelopment Commission as applicable. This Agreement shall amend and supersede in part Chapter 2014-31 No. 382 of the City of Providence with respect to Plat 4 Lot 262 only.

IN WITNESS WHEREOF, 262 LLC and CITY have executed this Agreement.

262 LLC	CITY OF PROVIDENCE
By: 	By: 
Authorized Signature	Authorized Signature
Print Name: <u>Robert J. Drew</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>45 Newchill Street</u>	Address: <u>City Hall</u>
<u>Providence, MA 01810</u>	<u>25 Dorrance Street</u>
	<u>Providence, RI 02903</u>
Date: _____	Date: <u>6/10/16</u>
	Approved as to form and correctness:
	
	Jeffrey T. Dana, City Solicitor

| 4817-4873-0418, v. 24848-7710-2126, v. 4

Exchange Street Hotel, LLC

5 EXCHANGE STREET

PLAT 19, LOT 120

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Exchange Street Hotel, LLC ("Exchange Street") (collectively, "the parties").

WITNESSETH:

WHEREAS, Exchange Street is the owner of certain real property located in the City at 5 Exchange Street, also known as Assessor's Plat 19 Lot 120; and

WHEREAS, Exchange Street has proposed and promised to construct new building structures and/or improvements on its property and return the property to productive commercial use in accordance with the construction plans already submitted to the City by Exchange Street; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly authorized the City by and through its City Council, subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property, for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-28 No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Exchange Street to construct a new eight (8) story, 120 room all suites hotel on 5 Exchange Street, including interior retail space and on-site parking, thereby improving the physical plant of the City which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Exchange Street to expend \$16,250,000.00 in order to carry out the construction at 5 Exchange Street to increase the pace of economic development within the City and State, and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 5 Exchange Street, also known as Assessor's Plat 19 Lot 120.

"Property Owner" shall mean Exchange Street, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2029. (Tax Years 2017- 2030).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2017, 2018, 2019, and 2020 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,770,300.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$1,770,300.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence on or before June 1, 2016.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 *et seq.* ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Apprenticeship. The Property Owner shall ensure that at least fifty percent (50%) of the hours worked on the Property shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 *et seq.*

The Property Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors' employees on the Property are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Property Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.5. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or

- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Exchange Street Hotel, LLC
 c/o James Karam, First Bristol Corporation
 P.O. Box 2516
 Fall River, MA 02722

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Exchange Street Hotel, LLC agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Exchange Street and the City have executed this Agreement.

EXCHANGE STREET HOTEL, LLC	CITY OF PROVIDENCE
By: <u>JAMES KARAM, Its Mg. of LLC</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	
Print Name: <u>JAMES KARAM</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>MANAGER of LLC</u>	Title: <u>Mayor of Providence</u>
Address: <u>Exchange Street Hotel, LLC</u>	Address: <u>City Hall</u>
<u>c/o James Karam, First Bristol Corporation</u>	<u>25 Dorrance Street</u>
<u>P.O. Box 2516</u>	<u>Providence, RI 02903</u>
<u>Fall River, MA 02722</u>	
Date: <u>12/21/16</u>	Date: <u>1/10/17</u>
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

THIS PAGE INTENTIONALLY LEFT BLANK

Providence Innovation District
Phase I Owner, LLC

225 DYER STREET

LOT 400

ON

SUBDIVISION PLAN OF I-195

PARCELS 22 & 25

PLAT 20, LOT 395 & 396

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the CITY OF PROVIDENCE, a Rhode Island municipal corporation (hereinafter "City") and PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC, a Delaware limited liability company (hereinafter "Owner"), (collectively, "the parties").

WITNESSETH:

WHEREAS, Owner will be the owner of certain real property located in the City of Providence at 225 Dyer Street, also known as Lot 400 on the Subdivision Plan of I-195 Parcels 22 & 25 recorded as Document No. 1001223 among the Land Records of the City of Providence, Rhode Island; and

WHEREAS, Owner has proposed and committed to construct a new approximately 195,068 square foot mixed-used development on said property and return same to productive use in accordance with the construction plans already submitted to the City by Owner; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to § 44-3-9 of the Rhode Island General Laws, the General Assembly authorizes, subject to certain enumerated conditions, the City of Providence by and through its City Council, for a period not to exceed twenty (20) years, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property; and

WHEREAS, pursuant to Ordinance 2015-28 No. 400, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Owner to construct a new approximately 195,068 square foot mixed-used development featuring science-related research as well as commercial office space; thereby improving the physical plant of the city which will result in a long-term economic benefit to the city and state; and
- (B) The willingness of Owner to expend approximately \$52,949,803.00 for hard costs in order to carry out the construction at 225 Dyer Street to develop research space in addition to traditional and non-traditional office workplaces, designed to foster casual connections and promote innovation; also, the multipurpose facility will include a pedestrian plaza designed to serve as an activities and events space for the site, in order to increase the pace of economic development within the City and State of Rhode Island; and thereby increase the City's tax base.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean that certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City of Providence at 225 Dyer Street, also known as Lot 400 on the Subdivision Plan of I-195 Parcels 22 & 25 recorded as Document No. 1001223 among the Land Records of the City of Providence, Rhode Island.

"Property Owner" shall mean Owner, or any entity with a recorded legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City of Providence, in accordance with Rhode Island General Laws § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2017 and terminating on December 31, 2036 (Tax Years 2018- 2037).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City of Providence has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax years 2018, 2019, 2020, 2021 and 2022 the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$818,400.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on the difference in assessment value between \$818,400.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence pursuant to the Annual Levy Ordinance of the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City of Providence to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax or affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon execution and delivery of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the official public land evidence records of the City of Providence, within thirty (30) days of the execution and delivery of this Agreement. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Construction shall commence on or before January 1, 2018.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above unless or until the Property is transferred to a subsequent owner ("Subsequent Owner") and upon such transfer the obligations pursuant to this Agreement shall be that of the Subsequent Owner. Additionally, in accordance with Section 2.7 the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City of Providence regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City of Providence before any transfer of the Property. Notwithstanding the foregoing, other than a Permitted Transfer (defined below), which shall not require the consent of the

City, during the Construction Period (defined below), the Property Owner shall be required to obtain the prior written consent of the City (which shall not be unreasonably withheld or conditioned) should the Property Owner desire to transfer the Property to a Subsequent Owner and such Subsequent Owner will not be developing the Property in a manner that is reasonably similar to the Project. For purposes of this Agreement the term (i) "Construction Period" shall mean the period of time from the Effective Date until the Property Owner has obtained a certificate of occupancy from the City for the Project; and (ii) "Permitted Transfer" shall mean a transfer by the Property Owner to an entity which is controlling, controlled by or has common ownership with (directly or indirectly) the Property Owner.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and the Property Owner shall be liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization Term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall use good faith efforts to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Apprenticeship. The Property Owner shall use good faith efforts to ensure that one hundred (100) percent of the hours worked on the project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. Up to twenty (20) percent of the hourly requirement may be waived if replaced with hours worked by qualified MBE/WBE companies registered in the State of Rhode Island. Certification of this waiver shall be reviewed and

signed by the designated MBE/WBE coordinator within the department of purchasing. The Property Owner shall make a requirement in the contracts between its construction manager and general contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten (10) percent of the total hours worked by the subcontractors' employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Property Owner shall as part of its contracts between its construction manager and general contractor and their subcontractors require that the subcontractors submit to the department of planning and development quarterly verification reports to ensure compliance with this section.

The Property Owner, its construction manager or general contractor or other authorized person/entity may petition the city department of planning and development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. Compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. Compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. Compliance is not feasible because it would create a significant economic hardship; or
- d. Compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

Section 5.3. Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.4. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances.

Section 5.5. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City

of Providence.

Section 5.6. Tenants of the Property. The terms of this Section 5 shall apply to Property Owner and shall not be deemed to apply to the tenants of the Property and/or the businesses conducted thereon and/or the construction of tenant improvements at the Property.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City of Providence in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other material obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits.
- (J) Failure of the Property Owner to remain current on any and all other financial obligations that will affect the priority of the lien of the taxes due under this Agreement.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City Council shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have ninety (90) days from the date that written notice is sent to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within ninety (90) days, then the Property Owner shall request an additional reasonable period of time from the City Council to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City Council does not reasonably deem the taxes jeopardized by such further delay,

all as determined by the City Council in its sole discretion which shall not be unreasonably withheld.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail or nationally recognized overnight service and addressed to the following parties set forth below:

Original to:

City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
*Accompanied by 9 copies thereof

Original to:

Providence Innovation District Phase I Owner, LLC
801 W. Baltimore Street
Baltimore, MD 21201
Attn: Senior Vice President, Asset Management
and
Attn: General Counsel

Copy to:

Providence Innovation District Phase I Owner, LLC
c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, IL 60654
Attn: Asset Management (Life Sciences)

Providence Innovation District Phase I Owner, LLC
c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, IL 60654
Attn: Legal Department

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Tax Obligation Upon Default. In the event of default under this Agreement which is not cured during the notice and cure period provided in Section 7 above, the Property Owner shall pay to the City of Providence an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined

in Section 2.2 above, but for this Agreement through the date of such default. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City of Providence.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2 the Property Owner agrees to waive and forever forgo any and all of its rights and privileges with respect to a tax abatement or reduction under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City of Providence to exercise any rights or remedies, power or privilege at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement, Owner agrees to remain jointly and severally liable with any and all Property Owners so long as Owner retains an ownership interest in the Property at the time of the event of default.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. Within sixty (60) days of the end of each calendar year, the Property Owner shall provide annual reports to the City of Providence on its progress in complying with the provisions of this

Agreement. Specifically, said report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 6 above, and overall financial well-being. Upon receipt and review, the City of Providence may, in its reasonably discretion, require and request additional information.

Section 9.2. Monitoring Fee. Within thirty (30) days of receiving a statement from the Tax Assessor, the Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

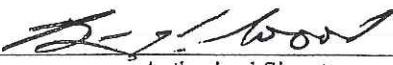
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution and ratification by Providence City Council of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties and ratified by Providence City Council.

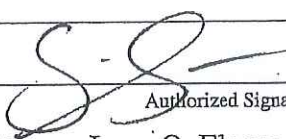
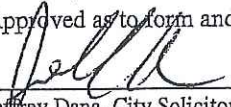
Section 9.6. Entire Agreement; Effect. This Agreement and all attachments, addendums, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document. This Agreement shall be effective upon the full execution and delivery of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, Owner and the City have executed this Agreement.

PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC	CITY OF PROVIDENCE
By: <u></u> Authorized Signature	By: _____ Authorized Signature
Print Name: <u>Brian K. Wood</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Vice President and Treasurer</u>	Title: Mayor of Providence
Address: c/o Wexford Asset Management, LLC 801 West Baltimore Street, Suite 505 Baltimore, Maryland 21201	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: _____	Date: _____
	Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

IN WITNESS WHEREOF, Owner and the City have executed this Agreement.

PROVIDENCE INNOVATION DISTRICT PHASE I OWNER, LLC	CITY OF PROVIDENCE
By: _____ Authorized Signature	By:  Authorized Signature
Print Name: _____	Print Name: <u>Jorge O. Elorza</u>
Title: _____	Title: Mayor of Providence
Address: c/o Wexford Asset Management, LLC 801 West Baltimore Street, Suite 505 Baltimore, Maryland 21201	Address: City Hall 25 Dorrance Street Providence, RI 02903
Date: _____	Date: <u>9/14/17</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

RECEIVED:

Providence
Received for Record
Sep 25, 2017 at 12:39P
Document Num: 00181767
John A Murphy
Recorder of Deeds

20 Year TSA Projection

Year	Value	Base Tax and/or Base Land Tax + % of Incr.	Tax Rate	Base Tax	Phased-In Tax	Proposed Total Tax	Payments at Full Taxation
1	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
2	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
3	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
4	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
5	818,400	Base Tax	36.70	\$30,035	\$0	\$30,035.28	\$ 30,035.28
6	53,768,203	Base + 6.5%	36.70	\$30,035	\$126,311.76	\$156,347.04	\$ 1,973,293.05
7	53,768,203	Base + 13.0%	36.70	\$30,035	\$252,623.51	\$282,658.79	\$ 1,973,293.05
8	54,843,567	Base + 19.5%	36.70	\$30,035	\$386,631.11	\$416,666.39	\$ 2,012,758.91
9	54,843,567	Base + 26.0%	36.70	\$30,035	\$515,508.14	\$545,543.42	\$ 2,012,758.91
10	54,843,567	Base + 32.5%	36.70	\$30,035	\$644,385.18	\$674,420.46	\$ 2,012,758.91
11	55,940,438	Base + 39.0%	36.70	\$30,035	\$788,961.73	\$818,997.01	\$ 2,053,014.07
12	55,940,438	Base + 45.5%	36.70	\$30,035	\$920,455.35	\$950,490.63	\$ 2,053,014.07
13	55,940,438	Base + 52.0%	36.70	\$30,035	\$1,051,948.97	\$1,081,984.25	\$ 2,053,014.07
14	57,059,247	Base + 58.5%	36.70	\$30,035	\$1,207,462.86	\$1,237,498.14	\$ 2,094,074.36
15	57,059,247	Base + 65.0%	36.70	\$30,035	\$1,341,625.41	\$2,096,927.33	\$ 2,094,074.36
16	57,059,247	Base + 71.5%	36.70	\$30,035	\$1,475,787.95	\$1,505,823.23	\$ 2,135,955.85
17	58,200,432	Base + 78.0%	36.70	\$30,035	\$1,642,618.05	\$1,672,653.33	\$ 2,135,955.85
18	58,200,432	Base + 84.5%	36.70	\$30,035	\$1,779,502.89	\$1,809,538.17	\$ 2,135,955.85
19	58,200,432	Base + 91.0%	36.70	\$30,035	\$1,916,387.72	\$1,946,423.00	\$ 2,135,955.85
20*	59,364,441	Full Tax	36.70	\$30,035	N/A	\$2,178,674.98	\$ 2,178,674.98
						\$17,524,822.57	\$ 31,162,847.09

Savings to applicant:

\$ 13,638,024.52

*Full taxation begins

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$30,035		\$0.00
2019	\$30,035		\$0.00
2020	\$30,035		\$0.00
2021	\$30,035		\$0.00
2022	\$30,035		\$0.00
2023	\$30,035	6.5% of (2023 Assessment Value-\$818,400) * 2023 Commercial Tax Rate	\$30,035.00 plus 6.5% of (2023 Assessment Value-\$818,400) * 2023 Commercial Tax Rate
2024	\$30,035	13.0% of (2024 Assessment Value-\$818,400) * 2024 Commercial Tax Rate	\$30,035.00 plus 13.0% of (2024 Assessment Value-\$818,400) * 2024 Commercial Tax Rate
2025	\$30,035	19.5% of (2025 Assessment Value-\$818,400) * 2025 Commercial Tax Rate	\$30,035.00 plus 19.5% of (2025 Assessment Value-\$818,400) * 2025 Commercial Tax Rate
2026	\$30,035	26.0% of (2026 Assessment Value-\$818,400) * 2026 Commercial Tax Rate	\$30,035.00 plus 26.0% of (2026 Assessment Value-\$818,400) * 2026 Commercial Tax Rate
2027	\$30,035	32.5% of (2027 Assessment Value-\$818,400) * 2027 Commercial Tax Rate	\$30,035.00 plus 32.5% of (2027 Assessment Value-\$818,400) * 2027 Commercial Tax Rate
2028	\$30,035	39.0% of (2028 Assessment Value-\$818,400) * 2028 Commercial Tax Rate	\$30,035.00 plus 39.0% of (2028 Assessment Value-\$818,400) * 2028 Commercial Tax Rate
2029	\$30,035	45.5% of (2029 Assessment Value-\$818,400) * 2029 Commercial Tax Rate	\$30,035.00 plus 45.5% of (2029 Assessment Value-\$818,400) * 2029 Commercial Tax Rate
2030	\$30,035	52.0% of (2030 Assessment Value-\$818,400) * 2030 Commercial Tax Rate	\$30,035.00 plus 52.0% of (2030 Assessment Value-\$818,400) * 2030 Commercial Tax Rate
2031	\$30,035	58.5% of (2031 Assessment Value-\$818,400) * 2031 Commercial Tax Rate	\$30,035.00 plus 58.5% of (2031 Assessment Value-\$818,400) * 2031 Commercial Tax Rate
2032	\$30,035	65.0% of (2032 Assessment Value-\$818,400) * 2032 Commercial Tax Rate	\$30,035.00 plus 65.0% of (2032 Assessment Value-\$818,400) * 2032 Commercial Tax Rate
2033	\$30,035	71.5% of (2033 Assessment Value-\$818,400) * 2033 Commercial Tax Rate	\$30,035.00 plus 71.5% of (2033 Assessment Value-\$818,400) * 2033 Commercial Tax Rate
2034	\$30,035	78.0% of (2034 Assessment Value-\$818,400) * 2034 Commercial Tax Rate	\$30,035.00 plus 78.0% of (2034 Assessment Value-\$818,400) * 2034 Commercial Tax Rate
2035	\$30,035	84.5% of (2035 Assessment Value-\$818,400) * 2035 Commercial Tax Rate	\$30,035.00 plus 84.5% of (2035 Assessment Value-\$818,400) * 2035 Commercial Tax Rate
2036	\$30,035	91.0% of (2036 Assessment Value-\$818,400) * 2036 Commercial Tax Rate	\$30,035.00 plus 91.0% of (2036 Assessment Value-\$818,400) * 2036 Commercial Tax Rate
2037			
FULL TAXATION RESUMES			
			* All Years refer to Tax Years:

APPENDIX B

ADMINISTRATIVE TSAs

AUTHORIZED UNDER

Providence Neighborhood Revitalization Act for Commercial and Multi-Family Residential Property Chapter 2015-29

Address	Plat/Lot	Property Owner	Date Approved
400 Hope Street	9/610	Meow Mix LLC	5/2/2016
37 Chalkstone Avenue	84/162	1039 Chalkstone Realty Associates LLC	6/15/2016
19 Harrison Street	32/234	Pilgrim Lofts LLC	7/18/2016
80 Manton Avenue	62/545	Grasso Management LLC	2/10/2017
11 Aleppo Street	63/577	Wide Plank LLC	2/23/2017
37 & 40 Jones Street	26/381 & 384	Omni Jones LLC	5/11/2017
100 Cedar Street	26/382	Omni Combined W.E. LLC	5/11/2017
125 Atwells Avenue	26/105	Omni 1 R LLC	Approval Date Unknown ¹

¹Agreement signed without dates. Application was submitted on May 24, 2016.

THIS PAGE INTENTIONALLY LEFT BLANK

CHAPTER 2015-29

**No. 401 AN ORDINANCE ESTABLISHING THE 2015 PROVIDENCE
NEIGHBORHOOD REVITALIZATION ACT**

Approved July 23, 2015

Be it ordained by the City of Providence:

SECTION 1. Chapter 21, "Revenue and Finance," is hereby amended to add Article XVII, "Providence Neighborhood Revitalization Act for Commercial and Multi-Family Residential Property" as follows:

Sec. 21-271. Authorization and Purpose.

- (a) *Authorization.* The city council has the authority, under Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt from tax payment, in whole or in part, real and personal property which has undergone environmental remediation, is historically preserved, or is used for affordable housing, manufacturing, commercial, or residential purposes, 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.
- (b) *Purpose.* The city recognizes that in order to stabilize neighborhoods, vacant, and/or underutilized properties must be returned to productive use. The purpose of this article is to provide the city with a tool to promote and encourage the use of vacant and/or underutilized property through new construction or rehabilitation of qualifying properties for residential and commercial purposes. In order to advance investment in identified neighborhoods, it is vital that the city provide property developers, entrepreneurs and investors with a predictable tax phase-in plan. It is therefore in the public interest to develop a set of clear criteria for eligibility for a neighborhood revitalization tax stabilization incentive, as well as a defined plan to bring a project to full taxation.

Sec. 21-272. Eligible Properties.

Eligible properties shall include new construction (excluding land acquisition costs) or the rehabilitation of commercial, mixed-use, or multi-family residential property of between \$250,000 and \$3,000,000 in an opportunity neighborhood.

Abutting and contiguous properties within an opportunity neighborhood may be considered a single project for purposes of qualifying for a tax stabilization under this ordinance.

Sec. 21-273. Definitions.

"Opportunity Neighborhood" means the following neighborhoods, with boundaries as indicated on the map attached hereto as Exhibit A: Charles, Elmwood, Federal Hill, Fox Point, Hartford, Lower South Providence, Manton, Mount Hope, Mount Pleasant, Olneyville, Reservoir, Silver Lake, Smith Hill, South Elmwood, Upper South Providence, Valley, Wanskuck, Washington Park, West End.

Sec. 21-274. Criteria

The director of department of inspections and standards and the director of the department of planning and development shall determine whether the subject properties or projects meet the minimum eligibility requirements in accordance with Section 21-271, Sec. 21-272, and Sec. 21-275. Owners of eligible properties and projects are required to begin construction within twelve (12) months and to complete construction within twenty-four (24) months of the effective date of

the subject stabilization agreement. For the purposes of the foregoing sentence, a temporary certificate of occupancy shall be sufficient. Owners of properties and projects that fail to meet any of these deadlines will be required retroactively to pay the difference between their actual stabilized tax payments and what they would have paid if ineligible for the specified tax considerations (unless an extension of such applicable deadline is approved by the city council).

Sec. 21-275. Tax Considerations.

The assessed tax payments and stabilization period upon the date of enactment of a project's stabilization agreement shall be according to the following options.

(a) New construction of at least \$250,000, or the rehabilitation of commercial or residential property with a cost of construction the greater of (1) \$250,000 or (2) fifty-percent (50%) of the assessed property valuation prior to construction. Total cost of project, whether new construction or rehabilitation shall not exceed \$3 million. The assessed tax payments upon enactment will be frozen at the base tax for the first year of the term. The assessor shall issue a bill beginning in the second tax year after the commencement date, based upon the property's valuation at that time. Tax payments will be calculated as a percentage of the total tax at the annual tax rate, with a phased-in schedule, as shown below. The city assessor shall assess the project upon issuance of a certificate of occupancy by the department of inspection and standards.

Year	Schedule
1	Base Tax
2	Base Tax + 20% of increase to assessed valuation
3	Base Tax + 40% of increase to assessed valuation
4	Base Tax + 60% of increase to assessed valuation
5	Base Tax + 80% of increase to assessed valuation
6	Full Taxation

Sec. 21-276. Transfer of exempt or stabilized property.

Tax benefits for eligible properties shall be transferable to new owners or tenants, but the duration of the tax consideration period shall not be extended (unless otherwise approved by the city council). In the event that the tax stabilized property becomes exempt from real estate taxes during the term of tax stabilization through conveyance, or otherwise, to a real estate tax exempt entity, the tax stabilization agreement shall be void ab initio with owners of tax stabilized properties being liable for full taxes retroactively to the execution date of the tax stabilization agreement.

In the event that a project owner transfers a project site to a tax exempt entity within the five year period immediately following the expiration of this Ordinance, the Project Owner agrees to pay a percentage of the sale price to the City of Providence as follows: five percent (5%) of the sale price if the Project Site is sold to a tax exempt entity in the first year following expiration; four percent (4%) of the sale price if sold to a tax exempt entity in the second year; three percent (3%) of the sale price if sold to a tax exempt entity in the third year; two percent of the sale price if sold to a tax exempt entity in the fourth year; one percent (1%) of the sale price if sold to a tax exempt entity in the fifth year.

Sec. 21-277. Forms and procedures.

The city assessor, together with the director of the department of planning and development, shall develop standardized forms and additional procedures consistent with this ordinance, as they deem necessary and proper to effectuate the terms and provisions of this ordinance. The procedure for eligible properties under this section shall be as follows:

- (a) No person shall be entitled to any exemption herein authorized without first filing an application for tax stabilization with the office of the city assessor. The application shall include the program of building, alterations and/or improvements to be made. The applicant shall include a statement outlining measures to comply with the Code of Ordinances, and a statement regarding the hiring of Minority and Women Business Enterprises (MBE/WBE) pursuant to Section 21-52 of the Code of Ordinances. No application shall be considered unless:

- (1) The application is filed prior to the issuance of the certificate of occupancy;
- (2) The applicant certifies that the investment of new construction (excluding land acquisition costs) meets the minimum required value of \$250,000 or that the rehabilitation of commercial or multi-family residential meets the minimum cost of construction the greater of a) \$250,000 or b) fifty-percent (50%) of the assessed property valuation prior to construction;
- (3) The application includes a compliance plan demonstrating how the applicant will fulfill each of its community benefit responsibilities as outlined in Sec. 21-278.
- (4) A fiscal note prepared by the department of finance or the internal auditor is attached to the application, comparing the proposed project's "true tax" and the estimated tax to be paid under the terms of the tax stabilization agreement
- (5) A nonrefundable application fee in the amount of 0.1 percent of the estimated cost of the project is to be paid to the city;

- (b) Within fifteen (15) days of receipt of a completed application (together with the application fee), the city assessor shall forward a copy of such application to the director of department of inspections and standards, city collector, and director of the department of planning and development for their respective review; and
- (c) The director of Department of Inspection and Standards shall review the application to determine whether any violations of the provisions of the building code of the city exist with respect to the subject property of the applicant and any other property in the city owned by the applicant. If no violations exist, he or she shall certify the fact to the city assessor within fifteen (15) days. If violations do exist, within said fifteen (15) days, he or she shall forward a statement to the city assessor and the applicant specifying the nature and extent of the violations. No exemptions granted hereunder shall be effective unless and until any and all such violations have been cured. Within the same fifteen (15)-day period, the director of department of inspections and standards shall issue a letter to the city assessor (with a copy to the applicant) stating whether the project will involve the substantial rehabilitation of an eligible property, and whether the proposed construction has received the necessary approvals from the Historic District, the Downcity Design Review Committee, the Capital Center Commission, the City Plan Commission or the Zoning Board of Review (as applicable).

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any outstanding violations or other matters which serve as a valid basis (in accordance with this subsection (b) for the building official not approving the subject application. Failure by the applicant to effectuate such cure(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

(d) The city collector shall review the city tax records to determine whether all taxes (together with interest and penalties) which are due and owed to the city with respect to the property to which the exemption may apply, and all other property in the city owned by the applicant, have been paid. If no deficiency exists, the city collector shall certify that fact to the city assessor within fifteen (15) days. If deficiencies do exist, within said fifteen (15) days, he or she shall forward a statement of the amounts due and the properties involved to the city assessor and the applicant. No exemption granted hereunder shall be effective unless and until any and all taxes together with interest and penalties remaining unpaid and due and owed to the city assessed on such property have been paid in full to the city.

The applicant shall have thirty (30) days from its receipt of written notice (of copy of notice to the city assessor) of a deficiency or deficiencies to pay any and all amounts due to the city. Failure by the applicant to make such payment(s) within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

Should, during the duration of the tax consideration period, tax payments established by the terms of this agreement become delinquent, the city collector shall – if the property owner is eligible – to secure a tax payment plan with the property owner that will bring all taxes and interest current within twelve (12) months in duration. Should the property owner not agree to said payment plan or adhere to the schedule and requirements of the payment plan, the tax stabilization agreement will be suspended and the property will revert to full taxation for the period in which the taxes are delinquent.

(e) The director of the department of planning and development shall review the application to determine whether it satisfactorily addresses the requirements in Section 21-278. If no material deficiency exists, the director of the department of planning and development shall certify that fact to the city assessor within fifteen (15) days. If a material deficiency exists, the director of the department of planning and development, within said fifteen (15) days, shall forward a statement to the city assessor and the applicant specifying the nature and extent of the material deficiency.

The applicant shall have thirty (30) days from its receipt of written notice (or copy of notice to the city assessor) to cure any material deficiency noted by the director of the department of planning and development. Failure by the applicant to resolve such material deficiency within said thirty (30) day period shall result in the city assessor removing the subject application from the assessor's list as an incomplete application. Nothing shall prohibit the subject property owner from re-applying for tax consideration.

The director of the Department of Planning and Development shall confirm that the applicant is not the recipient of other forms of financial assistance from the city.

NOTE: Steps (b), (c), (d), and (e) shall be performed concurrently

(f) Within fifteen (15) days following the receipt of the statements from the director of department of inspections and standards, city collector, and director of department of planning and development, the assessor will review the application and, if the foregoing requirements set forth in Section 21-277 (a-d) have been met (as evidenced by the required certifications and determinations of the assessor, director of department of inspections and standards, city collector, and director of department of planning and development, as more particularly set forth above).

(g) The city solicitor shall prepare a tax stabilization agreement with the applicant pursuant to, and upon the terms set forth in this ordinance. Within fifteen (15) days following the receipt of documentation from the assessor, the city solicitor shall submit the stabilization agreement and application, along with all documents, forms, and statements required in (a), (b), and (c) of this subsection, to the city council, for review as to form only. Review and official receipt by the city council shall be completed within thirty (30) days of city solicitor's transmittal to the city council, unless the city council finds a material deficiency in the application or associated documents.

(h) All tax stabilization agreements shall contain a provision providing that the receipt of the tax stabilization benefits shall be contingent upon the project receiving the necessary approvals from the Historic District Commission, the City Plan Commission, the Zoning Board of Review, or the I-195 Redevelopment Commission acting as any or all of these boards or commissions (as applicable). The director of the department of planning and development shall provide to the city solicitor confirmation of approval, and any and all benefits shall be withheld under such approvals are granted.

(i) All tax stabilization agreements shall include a monitoring/compliance fee in the amount of 0.01 percent of the cost of the project is to be paid annually for the term of the agreement to the city.

Sec. 21-278. Employment and Contracts.

(a) Construction.

(1) MBE/WBE. The Project Site Owner shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 31-14.1 ("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 MBE Act). The Project Site Owner shall make a good faith effort to award to Women Business Enterprises (WBEs) 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). The Project Site Owner will request the City MBE/WBE office to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Project Site Owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

(2) Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Project Site shall annually receive either a W-2 statement or an IRS Form 1099.

(3) First Source List. Pursuant to the City of Providence First Source Ordinance, the Project Site Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed Project and throughout the term of the tax stabilization agreement. The Project Site Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement. The owner shall also make a good faith effort to employ Rhode Island and Providence residents for any and all positions not included in its First Source obligations, as well as ensure that any general contractor/construction manager and all subcontractors utilized also make good faith efforts to employ Rhode Island and Providence residents for any and all positions not included in their First Source obligations.

(4) "Buy Providence" Initiative. The Project Site Owner will use good faith efforts to ensure that construction materials are purchased from economically competitive and qualified vendors located in the city of Providence. In furtherance of this effort, the Project Site Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction of the Project. Furthermore, once the Project Site Owner constructs the development, the Project Site Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses.

(5) In the event that there shall be a failure to comply with this Section 21-278 (a), the Department of Planning and Development shall have standing to seek enforcement of this provision of the ordinance in the Rhode Island Superior Court. The Department shall also have the ability to impose a fine of \$500.00 per day for each day of non-compliance with this section.

- (d) Permanent Employment. In conjunction with its efforts pursuant to this Section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, natural origin, sex, age or handicap, the Project Site Owner shall liaise with the City and with the Director of First Source Providence to assist in the recruitment of qualified minority, women, and handicap applicants as well as those on the First Source List for all of its employment positions.
- (e) Reporting. The Project Site Owner shall annually report to the City Council on its progress in complying with the provisions of this Ordinance, including but not limited to, Section 21-278.

Sec. 21-279. Ineligible Properties.

- (a) Any property or project that includes a use prohibited by Chapter 27, "Zoning," of the Code of Ordinances shall be ineligible for a tax stabilization. Additionally, any property or project that has any of the following uses, as defined by Chapter 27, "Zoning," of the Providence Code of Ordinances, shall be ineligible under this ordinance:
 - (1) Adult use, including Adult Bookstore/Retail, Adult Arcade, Adult Cabaret, Adult Motion Picture Theater, and Adult Hotel/Motel;
 - (2) Amusement/Entertainment/Sports Facility – Indoor (Pool Hall);
 - (3) Apartment Dormitory;
 - (4) Bar;
 - (5) Compassion Center/Cultivation Center;
 - (6) Contractor Storage Yard;
 - (7) Fraternity/Sorority;
 - (8) Landfill;
 - (9) Live Entertainment – Ancillary Use;
 - (10) Live Performance Venue;
 - (11) Materials Processing;
 - (12) Nightclub;
 - (13) Retail Sales of Alcohol;
 - (14) Storage Yard – Outdoor;
- (b) Any property or project that includes a businesses holding a "check casher" license under Chapter 19-14.4 of the Rhode Island General Laws, shall be ineligible under this ordinance.

Sec. 21-280. 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.

Sec. 21-281.

The Project Site Owner and the City of Providence agree that the Project Site Owner retains the right to appeal the valuation or calculation of the taxes assessed from time to time.

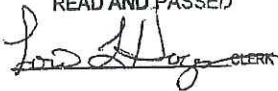
Section 21-282. Severability.

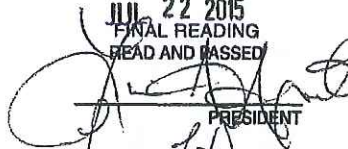
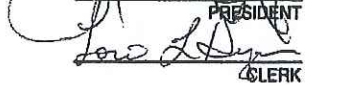
If any one section of this Ordinance is found to be unenforceable, then the other provisions herein shall continue to have the same force and effect as if the unenforceable provision were not passed as part of this Ordinance.

Section 21-283. Applicable Law.

This agreement shall be construed under the laws of the State of Rhode Island.

SECTION 2. This Ordinance shall become effective immediately upon passage, and shall sunset 30 months from the date of passage.

IN CITY COUNCIL
JUL 16 2015
FIRST READING
READ AND PASSED
 CLERK

IN CITY
COUNCIL
JUL 22 2015
FINAL READING
READ AND PASSED
 PRESIDENT
 CLERK

I HEREBY APPROVE.

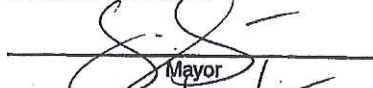
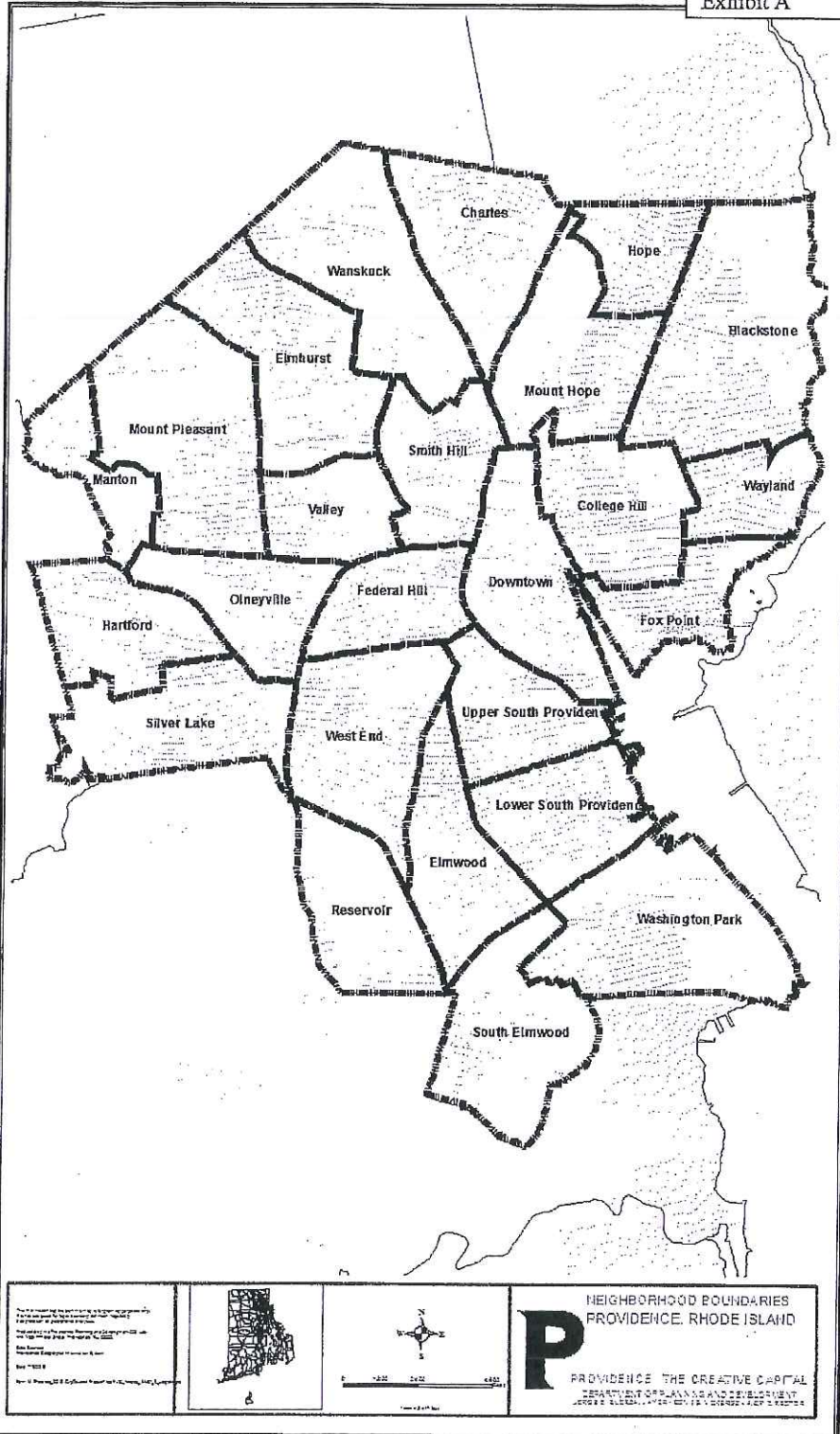

Mayor
Date: 7/23/15

Exhibit A



Meow Mix, LLC

400 HOPE STREET

PLAT 9, LOT 610

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Meow Mix, LLC ("Meow Mix") (collectively, "the parties").

WITNESSETH:

WHEREAS, Meow Mix is the owner of certain real property located in the City at 400 Hope Street, also known as Assessor's Plat 9 Lot 610; and

WHEREAS, Meow Mix has proposed and promised to construct a new mixed-use building structure and/or improvement on its property consisting of approximately 1,500sq. ft. commercial rental, 2,500sq. ft. veterinary practice and three (3) residential units, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Meow Mix; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Meow Mix to construct a new mixed-use building, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Meow Mix to construct a new mixed-use building and return vacant and/or underutilized property in the Mount Hope neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 400 Hope Street, also known as Assessor's Plat 9 Lot 610.

"Property Owner" shall mean Meow Mix, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$361,800.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$361,800.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence on or before June 1, 2016.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 *et seq.* ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
*Accompanied by 9 copies

If to: Meow Mix, LLC
225 Adelaide Avenue
Providence, RI 02907

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof

preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Meow Mix, LLC agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Meow Mix and the City have executed this Agreement.

MEOW MIX, LLC	CITY OF PROVIDENCE
By: <u>Cathy Lund</u> , its <u>vice president</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>Cathy Lund</u> Authorized Signature	
Print Name: <u>Cathy Lund</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>vice-president</u>	Title: <u>Mayor of Providence</u>
Address: <u>Meow Mix, LLC</u>	Address: <u>City Hall</u>
<u>225 Adelaide Avenue</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02907</u>	<u>Providence, RI 02903</u>
Date: <u>5/12/16</u>	Date: _____
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2017	\$13,296.00			\$13,296.00
2018	\$13,296.00	20% of (2018 Assessment Value-\$361,800) * 2018 Commercial Tax Rate	\$13,296.00 plus 20% of (2018 Assessment Value-\$361,800) * 2018 Commercial Tax Rate	
2019	\$13,296.00	40% of (2019 Assessment Value-\$361,800) * 2019 Commercial Tax Rate	\$13,296.00 plus 40% of (2019 Assessment Value-\$361,800) * 2019 Commercial Tax Rate	
2020	\$13,296.00	60% of (2020 Assessment Value-\$361,800) * 2020 Commercial Tax Rate	\$13,296.00 plus 60% of (2020 Assessment Value-\$361,800) * 2020 Commercial Tax Rate	
2021	\$13,296.00	80% of (2021 Assessment Value-\$361,800) * 2021 Commercial Tax Rate	\$13,296.00 plus 80% of (2021 Assessment Value-\$361,800) * 2021 Commercial Tax Rate	
2022				
FULL TAXATION RESUMES				
		* All years refer to Tax Years.		

THIS PAGE INTENTIONALLY LEFT BLANK

1039 Chalkstone
Realty Associates, LLC

1037 CHALKSTONE AVENUE

PLAT 84, LOT 162

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and 1039 Chalkstone Realty Associates, LLC ("1039 Chalkstone") (collectively, "the parties").

WITNESSETH:

WHEREAS, 1039 Chalkstone is the owner of certain real property located in the City at 1037 Chalkstone Avenue, also known as Assessor's Plat 84, Lot 162; and

WHEREAS, 1039 Chalkstone has proposed and promised to rehabilitate a structure and/or improvement on its property consisting of approximately 11,000 sq. ft. commercial building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by 1039 Chalkstone; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of 1039 Chalkstone to rehabilitate a building, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of 1039 Chalkstone to rehabilitate a building and return underutilized property in the Elmhurst neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 1037 Chalkstone Avenue, also known as Assessor's Plat 84, Lot 162.

"Property Owner" shall mean 1039 Chalkstone, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a six (6) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$165,000.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$165,000.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award

to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq. ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: 1039 Chalkstone Realty Associates, LLC
1039 Chalkstone Avenue
Providence, RI 02908

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement 1039 Chalkstone agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 6 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, 1039 Chalkstone and the City have executed this Agreement.

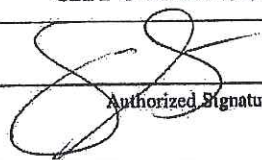

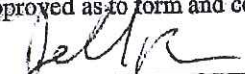
1039 CHALKSTONE REALTY ASSOCIATES, LLC	CITY OF PROVIDENCE
By: _____, Its _____	By:  _____ Authorized Signature
By:  _____ Authorized Signature	
Print Name: <u>Janis Arvenig</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>owner</u>	Title: <u>Mayor of Providence</u>
Address: <u>1039 Chalkstone Realty Associates, LLC</u>	Address: <u>City Hall</u>
<u>1039 Chalkstone Avenue</u>	<u>25 Dorrance Street</u>
<u>Providence, RI 02908</u>	<u>Providence, RI 02903</u>
Date: <u>5/31/16</u>	Date: <u>6/15/16</u>
	Approved as to form and correctness:  _____ Jeffrey Dana, City Solicitor

EXHIBIT A

ABILIZATION PLAN	
INCREASES	\$0.00
Commercial Tax Rate	\$6.
Commercial Tax Rate	\$6.
Commercial Tax Rate	\$6.
Commercial Tax Rate	\$6.
FULL TAXATION RESUMES	
ers refer to Tax Years.	

THIS PAGE INTENTIONALLY LEFT BLANK

Pilgrim Lofts, LLC

19 HARRISON STREET

PLAT 32, LOT 234

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Pilgrim Lofts, LLC ("Pilgrim") (collectively, "the parties").

WITNESSETH:

WHEREAS, Pilgrim is the owner of certain real property located in the City at 19 Harrison Street, also known as Assessor's Plat 32, Lot 234; and

WHEREAS, Pilgrim has proposed and promised to rehabilitate a structure and/or improvement on its property, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Pilgrim; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Pilgrim to rehabilitate a building, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Pilgrim to rehabilitate a building and return underutilized property in the West End neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 19 Harrison Street, also known as Assessor's Plat 32, Lot 234.

"Property Owner" shall mean Pilgrim, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a six (6) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$248,100.00 multiplied by a tax rate of \$36.75 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$248,100.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq.

("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Property Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Pilgrim Lofts, LLC
c/o Knight & Swan, LLC
234 5th Avenue, Suite 319
New York, NY 10001

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Pilgrim Lofts, LLC agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

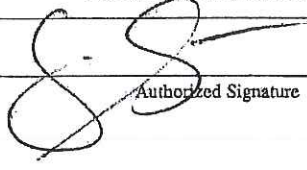
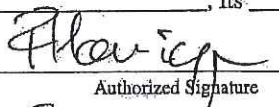
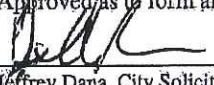
Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Pilgrim and the City have executed this Agreement.

PILGRIM LOFTS, LLC	CITY OF PROVIDENCE
By: _____, Its _____	By:  _____ Authorized Signature
By:  _____ Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>FEDERICO MANALICO</u>	Title: <u>Mayor of Providence</u>
Title: <u>MANAGER</u>	Address: <u>City Hall</u>
Address: <u>Pilgrim Lofts, LLC</u>	<u>25 Dorrance Street</u>
<u>c/o Knight & Swan, LLC</u>	<u>Providence, RI 02903</u>
<u>234 5th Avenue, Suite 319</u>	
<u>New York, NY 10001</u>	
Date: <u>7/18/2016</u>	Date: _____
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

Grasso Management, LLC

80 MANTON AVENUE

PLAT 62, LOT 545

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

Law Department
FEB -1 2017

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Grasso Management, LLC ("Grasso") (collectively, "the parties").

WITNESSETH:

WHEREAS, Grasso is the owner of certain real property located in the City at 80 Manton Avenue, also known as Assessor's Plat 62, Lot 545; and

WHEREAS, Grasso has proposed and promised to rehabilitate a structure and/or improvement on its property creating five (5) new retail spaces in the commercial building, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Grasso; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Grasso to rehabilitate a building, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Grasso to rehabilitate a building and return underutilized property in the Olneyville neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 80 Manton Avenue, also known as Assessor's Plat 62, Lot 545.

"Property Owner" shall mean Grasso, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2020. (Tax Years 2017- 2021).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,771,500.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on the difference in assessment value between \$1,771,500.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the

stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099,

Section 5.3. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances

Section 5.4. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City of Providence.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
*Accompanied by 9 copies

If to: Grasso Management, LLC
1051 Chalkstone Avenue
Providence, RI 02908

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-

9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Grasso agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 6 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Grasso and the City have executed this Agreement.

GRASSO MANAGEMENT, LLC	CITY OF PROVIDENCE
By: <u>Richard R. Grasso</u> Authorized Signature	By: <u>[Signature]</u> Authorized Signature
Print Name: <u>Richard R. Grasso</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Member</u>	Title: <u>Mayor of Providence</u>
Address: <u>Grasso Management, LLC</u> <u>1051 Chalkstone Avenue</u> <u>Providence, RI 02903</u>	Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u>
Date: <u>01/31/2017</u>	Date: <u>2/10/17</u>
	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$65,014		\$0.00
2018	\$65,014	20% of (2018 Assessment Value-\$1,771,500) * 2018 Commercial Tax Rate	\$65,014.00 plus 20% of (2018 Assessment Value-\$1,771,500) * 2018 Commercial Tax Rate
2019	\$65,014	40% of (2019 Assessment Value-\$1,771,500) * 2019 Commercial Tax Rate	\$65,014.00 plus 40% of (2019 Assessment Value-\$1,771,500) * 2019 Commercial Tax Rate
2020	\$65,014	60% of (2020 Assessment Value-\$1,771,500) * 2020 Commercial Tax Rate	\$65,014.00 plus 60% of (2020 Assessment Value-\$1,771,500) * 2020 Commercial Tax Rate
2021	\$65,014	80% of (2021 Assessment Value-\$1,771,500) * 2021 Commercial Tax Rate	\$65,014.00 plus 80% of (2021 Assessment Value-\$1,771,500) * 2021 Commercial Tax Rate
2022			
<u>FULL TAXATION RESUMES</u>			
			* All Years refer to Tax Years.

Wide Plank, LLC

11 ALEPPO STREET

PLAT 63, LOT 577

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Wide Plank, LLC ("Wide Plank") (collectively, "the parties").

WITNESSETH:

WHEREAS, Wide Plank is the owner of certain real property located in the City at 11 Aleppo Street, also known as Assessor's Plat 63, Lot 577; and

WHEREAS, Wide Plank has proposed and committed to a complete rehabilitation of a structure and/or improvements on its property, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Wide Plank; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Wide Plank to rehabilitate an existing structure, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Wide Plank to rehabilitate a building and return underutilized property in the Olneyville neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 11 Aleppo Street, also known as Assessor's Plat 63, Lot 577.

"Property Owner" shall mean Wide Plank, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2017 and terminating on December 31, 2022. (Tax Years 2018- 2023).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2018, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$155,000.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$155,000.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, in its sole discretion, as to whether or not stabilization under this Agreement will continue.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. The Property Owner shall make a good faith effort to award

to Minority Business Enterprises ("MBE") as defined in R.I.G.L. Sections 31-14.1 et seq. ("MBE Act") no less than 10% of the dollar value of the construction costs for the rehabilitation of the Property. The Property Owner shall make a good faith effort to award to Women Business Enterprises ("WBE") no less than 10% of the dollar value of the construction costs for the Property (as determined in accordance with Section 21-52 of the City of Providence Code of Ordinances). The Property Owner will request the City MBE/WBE office and its Supplier Diversity Director to establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Property Owner in meeting said goals. The process of participating with the MBE/WBE office and its Supplier Diversity Director shall begin upon the effective date of this Agreement in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Pursuant to the City of Providence First Source Ordinance, the Property Owner shall enter into a First Source Agreement covering the hiring of employees necessary to complete the proposed work and throughout the term of this Agreement. The Property Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.

Section 5.4. "Buy Providence" Initiative. The Property Owner will use good faith efforts to ensure that construction materials for the Property are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, the Property Owner will work with the City to develop a list of Providence vendors and subcontractors in order to create a preferred vendor list of qualified and economically competitive vendors for the construction on the Property. Furthermore, once the Property Owner constructs the development, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses. In order to further that effort, the Property Owner will hold seminars upon ratification of this Agreement, with the Providence MBE/WBE office, the Supplier Diversity Director, the Director of First Source Providence and the Providence Chamber of Commerce to inform the local economy of the Property Owner's development plans in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance milestones set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Wide Plank, LLC
Attn: Eric Army
11 Aleppo Street
Providence, RI 02909

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Wide Plank agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of employment compliance pursuant to Section 6 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications Amendments and/or Extensions. This Agreement shall not be modified, amended, extended or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions or alterations must be in writing duly executed by all parties.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Wide Plank and the City have executed this Agreement.

WIDE PLANK, LLC	CITY OF PROVIDENCE
By: <u>ERIC ARMY</u> , Its <u>member</u>	By: <u>[Signature]</u> Authorized Signature
By: <u>[Signature]</u> Authorized Signature	Print Name: <u>Jorge O. Elorza</u>
Print Name: <u>ERIC ARMY</u>	Title: <u>Mayor of Providence</u>
Title: <u>MEMBER</u>	Address: <u>City Hall</u>
Address: <u>Wide Plank, LLC</u>	<u>25 Dorrance Street</u>
<u>11 Aleppo Street</u>	<u>Providence, RI 02903</u>
<u>Providence, RI 02909</u>	Date: <u>2/23/17</u>
Date: <u>FEB. 2. 2017</u>	Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$5,689		\$0.00
2019	\$5,689	20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate	\$5,689.00 plus 20% of (2019 Assessment Value-\$155,000) * 2019 Commercial Tax Rate
2020	\$5,689	40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate	\$5,689.00 plus 40% of (2020 Assessment Value-\$155,000) * 2020 Commercial Tax Rate
2021	\$5,689	60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate	\$5,689.00 plus 60% of (2021 Assessment Value-\$155,000) * 2021 Commercial Tax Rate
2022	\$5,689	80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate	\$5,689.00 plus 80% of (2022 Assessment Value-\$155,000) * 2022 Commercial Tax Rate
2023			
FULL TAXATION RESUMES			
			* All Years refer to Tax Years.

THIS PAGE INTENTIONALLY LEFT BLANK

Omni Jones, LLC

37 JONES STREET

&

40 JONES STREET

PLAT 26, LOTS 384 & 381

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Omni Jones, LLC ("Omni Jones") (collectively, "the parties").

WITNESSETH:

WHEREAS, Omni Jones is the owner of certain real property located in the City at 37 Jones Street and 40 Jones Street, also known as Assessor's Plat 26 Lots 384 and 381 (respectively); and

WHEREAS, Omni Jones has proposed and committed to construct a new twelve (12) unit multi-family apartment building and accompanying parking, thus returning the property to productive residential use in accordance with the construction plans already submitted to the City by Omni Jones; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Omni Jones to construct a new twelve (12) unit multi-family apartment building and accompanying parking, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Omni Jones to construct a new twelve (12) unit multi-family apartment building and accompanying parking, thereby return underutilized property in the Federal Hill neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 37 Jones Street and 40 Jones Street, also known as Assessor's Plat 26 Lots 384 and 381 (respectively).

"Property Owner" shall mean Omni Jones, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2017 and terminating on December 31, 2022. (Tax Years 2018- 2023).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2018, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$85,300.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$85,300.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to

provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes, they shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, as to whether or not stabilization under this Agreement will continue; the City's consent to transfer the tax stabilization agreement will not be unreasonably withheld.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity, now or then holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances.

Section 5.4. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described therein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City of Providence. Furthermore, once the Property Owner completes said project, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or

- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations which would affect the priority of the City lien for taxes due and owing or which would jeopardize the City's ability to collect taxes under this Agreement or under generally applicable state and local taxation laws.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Omni Omni Jones, LLC
 P.O. Box 856
 East Greenwich, RI 02818

Copy to: David Campanella, Esq.
 272 West Exchange Street
 Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Omni Jones agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications, Amendments, Terminations, and/or Extensions. This Agreement shall not be modified, amended, extended, terminated, or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions, terminations, or alterations must be in writing duly executed by all parties. As for termination of this Agreement, neither party shall unreasonably withhold its consent to terminate the Agreement.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Omni Jones and the City have executed this Agreement.


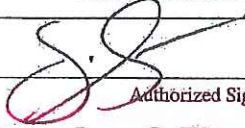
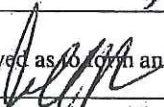
OMNI JONES, LLC	CITY OF PROVIDENCE
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>William L. DiStefano Jr.</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>Manager</u>	Title: <u>Mayor of Providence</u>
Address: <u>Omni Jones, LLC</u>	Address: <u>City Hall</u>
<u>P.O. Box 856</u>	<u>25 Dorrance Street</u>
<u>East Greenwich, RI 02818</u>	<u>Providence, RI 02903</u>
Date: <u>5/2/17</u>	Date: <u>5/11/17</u>
	Approved as to form and correctness:  Jeffrey Dana, City Solicitor

EXHIBIT A				
TAX STABILIZATION PLAN				
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT	
2018	\$3,131			\$3,131
2019	\$3,131	20% of (2019 Assessment Value-\$85,300) * 2019 Commercial Tax Rate	\$3,131.00 plus 20% of (2019 Assessment Value-\$85,300) * 2019 Commercial Tax Rate	
2020	\$3,131	40% of (2020 Assessment Value-\$85,300) * 2020 Commercial Tax Rate	\$3,131.00 plus 40% of (2020 Assessment Value-\$85,300) * 2020 Commercial Tax Rate	
2021	\$3,131	60% of (2021 Assessment Value-\$85,300) * 2021 Commercial Tax Rate	\$3,131.00 plus 60% of (2021 Assessment Value-\$85,300) * 2021 Commercial Tax Rate	
2022	\$3,131	80% of (2022 Assessment Value-\$85,300) * 2022 Commercial Tax Rate	\$3,131.00 plus 80% of (2022 Assessment Value-\$85,300) * 2022 Commercial Tax Rate	
2023				
FULL TAXATION RESUMES				

* All Years refer to Tax Years.

Omni Combined W.E., LLC

100 CEDAR STREET

PLAT 26, LOT 382

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Omni Combined W.E., LLC ("Omni CWE") (collectively, "the parties").

WITNESSETH:

WHEREAS, Omni CWE is the owner of certain real property located in the City at 100 Cedar Street, also known as Assessor's Plat 26, Lot 382; and

WHEREAS, Omni CWE has proposed and committed to construct a new two (2) level, three hundred and seventeen (317) space parking structure, thus returning the property to productive commercial use in accordance with the construction plans already submitted to the City by Omni CWE; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Omni CWE to construct a new two (2) level three hundred and seventeen (317) space parking structure, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Omni CWE to construct a new two (2) level three hundred and seventeen (317) space parking structure and return underutilized property in the Federal Hill neighborhood to productive use.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 100 Cedar Street, also known as Assessor's Plat 26, Lot 382.

"Property Owner" shall mean Omni CWE, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a five (5) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2017 and terminating on December 31, 2022. (Tax Years 2018- 2023).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2018, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$527,300.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on difference in assessment value between \$527,300.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization

of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes, they shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, as to whether or not stabilization under this Agreement will continue; the City's consent to transfer the tax stabilization agreement will not be unreasonably withheld.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity, now or then holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall make a good faith effort to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances.

Section 5.4. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described therein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City of Providence. Furthermore, once the Property Owner completes said project, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or

- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or
- (J) Failure of the Property Owner to remain current on any and all other financial obligations which would affect the priority of the City lien for taxes due and owing or which would jeopardize the City's ability to collect taxes under this Agreement or under generally applicable state and local taxation laws.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
 Office of the City Clerk
 25 Dorrance St.
 Providence, RI 02903
 *Accompanied by 9 copies

If to: Omni Combined W.E., LLC
 P.O. Box 856
 East Greenwich, RI 02818

Copy to: David Campanella, Esq.
 272 West Exchange Street
 Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the

difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Omni CWE agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications, Amendments, Terminations, and/or Extensions. This Agreement shall not be modified, amended, extended, terminated, or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions, terminations, or alterations must be in writing duly executed by all parties. As for termination of this Agreement, neither party shall unreasonably withhold its consent to terminate the Agreement.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Omni CWE and the City have executed this Agreement.


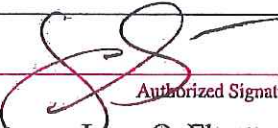
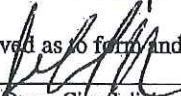
OMNI COMBINED W.E., LLC	CITY OF PROVIDENCE
By:  Authorized Signature	By:  Authorized Signature
Print Name: <u>William L. DiStefano, Jr.</u>	Print Name: <u>Jorge O. Elorza</u>
Title: <u>MANAGING PARTNER</u>	Title: <u>Mayor of Providence</u>
Address: <u>Omni Combined W.E., LLC</u>	Address: <u>City Hall</u>
<u>P.O. Box 856</u>	<u>25 Dorrance Street</u>
<u>East Greenwich, RI 02818</u>	<u>Providence, RI 02903</u>
Date: <u>5/2/17</u>	Date: <u>5/11/17</u>
	Approved as to form and correctness.  Jeffrey Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2018	\$19,352	\$0.00	\$19,352
2019	\$19,352	20% of (2019 Assessment Value-\$527,300) * 2019 Commercial Tax Rate	\$19,352.00 plus 20% of (2019 Assessment Value-\$527,300) * 2019 Commercial Tax Rate
2020	\$19,352	40% of (2020 Assessment Value-\$527,300) * 2020 Commercial Tax Rate	\$19,352.00 plus 40% of (2020 Assessment Value-\$527,300) * 2020 Commercial Tax Rate
2021	\$19,352	60% of (2021 Assessment Value-\$527,300) * 2021 Commercial Tax Rate	\$19,352.00 plus 60% of (2021 Assessment Value-\$527,300) * 2021 Commercial Tax Rate
2022	\$19,352	80% of (2022 Assessment Value-\$527,300) * 2022 Commercial Tax Rate	\$19,352.00 plus 80% of (2022 Assessment Value-\$527,300) * 2022 Commercial Tax Rate
2023			
FULL TAXATION RESUMES			
			* All Years refer to Tax Years.

Omni 1 R, LLC

125 ATWELLS AVENUE

PLAT 26, LOT 105

THIS PAGE INTENTIONALLY LEFT BLANK

TAX STABILIZATION AGREEMENT

This agreement ("Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Omni 1R, LLC ("Omni") (collectively, "the parties").

WITNESSETH:

WHEREAS, Omni is the owner of certain real property located in the City at 125 Atwells Avenue, also known as Assessor's Plat 26, Lot 105; and

WHEREAS, Omni has proposed and promised to rehabilitate a structure and/or improvement on its property consisting of approximately 20,000 sq. ft. mixed-use space, thus returning the property to productive commercial/residential use in accordance with the construction plans already submitted to the City by Omni; and

WHEREAS, Under article 13, section 5 of the Rhode Island Constitution, the General Assembly retains exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to Rhode Island General Laws § 44-3-9, the General Assembly has authorized the City of Providence, acting through its City Council and subject to certain enumerated conditions, to exempt or determine a stabilized amount of taxes to be paid on account of real and personal property for a period not to exceed twenty (20) years; and

WHEREAS, pursuant to Ordinance 2015-29 No. 401, as amended by Ordinance 2016-1 No.1, the granting of the tax stabilization will inure to the benefit of the City of Providence and its residents by reason of:

- (A) The willingness of Omni to rehabilitate a building, thereby improving the physical plant of the City, which will result in a long-term economic benefit to the City and State; and
- (B) The willingness of Omni to rehabilitate the existing three (3) story building into a mixed-use property consisting of ground-level retail and upper-story apartment units.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

SECTION 1. DEFINITIONS.

"Property" shall mean certain real property together with any and all buildings, structures, and/or improvements now or in the future located in the City at 125 Atwells Avenue, also known as Assessor's Plat 26, Lot 105.

"Property Owner" shall mean Omni, or any entity with legal or equitable right and/or interest in and/or to the Property, including any and all successors and assigns.

SECTION 2. TAX STABILIZATION.

Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9 and the City of Providence Code of Ordinances, does hereby grant a six (6) year tax stabilization in favor of the Property Owner with respect to the Property.

Section 2.2. Term. The tax stabilization term shall be the period commencing on December 31, 2016 and terminating on December 31, 2021. (Tax Years 2017- 2022).

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of taxes to be paid by the Property Owner with respect to the Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows: For tax year 2017, the Property Owner shall make a tax payment equal to the taxes due and owing for an assessment value of \$1,545,600.00 multiplied by a tax rate of \$36.70 per \$1,000.00 in assessment value (hereinafter the "Base Assessment"). For each tax year thereafter, the Property Owner will pay the Base Assessment plus a percentage of the taxes due and owing on the difference in assessment value between \$1,545,600.00 and the then-current assessed value of the property multiplied by the then-current tax rate. See "Tax Stabilization Plan" attached hereto and incorporated herein as Exhibit A.

Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments at the discretion of the Property Owner. If the Property Owner elects to make quarterly installments, each quarterly installment shall be due on the same date that quarterly taxes are due for all other taxpayers in the City of Providence.

Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax payments shall be an obligation of the Property Owner.

Section 2.6. Non-Receipt of Stabilized Tax Bill. Failure by the City to send or failure by the Property Owner to receive a stabilized tax bill does not excuse the nonpayment of the stabilized tax nor affect its validity or any action or proceeding for the collection of the tax in accordance with this Agreement or otherwise.

Section 2.7. Recording of Agreement, Running with Land. Upon the execution of this Agreement, the Property Owner shall cause this Agreement to be recorded at its expense in the City's official public land evidence records. This recording shall be construed to provide a complete additional alternative method under contract law for the securitization of payments due and owing under this Agreement and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

SECTION 3. PERFORMANCE OBLIGATIONS.

Section 3.1. Commencement of Performance.

Rehabilitation and/or construction shall commence within twelve (12) months and shall complete within twenty-four (24) months of the effective date of this Agreement.

Section 3.2. Permits and Certificates of Occupancy.

Property Owner shall obtain all permits and certificates of occupancy as required by state and local law in connection with any and all intended construction or rehabilitation at the Property.

SECTION 4. TRANSFER OF THE PROPERTY.

Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section 2.3 above, without regard to any transfer of the Property. Additionally, in accordance with Section 2.7, the burdens and benefits of this Agreement will run with the land, and as for payment of taxes, they shall run in favor of the City regardless of any transfer of ownership. The Property Owner further agrees to provide prior written notice to the City before any transfer of the Property so that the City may make a determination, as to whether or not stabilization under this Agreement will continue; the City's consent to transfer the tax stabilization agreement will not be unreasonably withheld.

Section 4.2. Transfer to Tax Exempt Entities. In the event that the Property Owner transfers the Property to a tax-exempt entity, this Agreement shall be void ab initio and any entity, now or then holding an equitable or legal interest in the Property on or after the Effective Date of this Agreement shall be jointly and severally liable for the full taxes due and owing from the Effective Date of this Agreement and forward.

Section 4.3. Post-Expiration Transfers. In the event that any Property Owner transfers the Property to a tax-exempt entity within five years from the end of the tax stabilization term, as defined in Section 2.2 above, any and all Property Owners will pay the following: five percent (5%) of the sale price in said transfer if sold to a tax-exempt entity in the first year following the end of the Term; four percent (4%) of the sale price in said transfer if sold to a tax-exempt entity in the second year following the end of the Term; three percent (3%) of the sale price in said transfer if sold to a tax-exempt entity in the third year following the end of the Term; two percent (2%) of the sale price in said transfer if sold to a tax-exempt entity in the fourth year following the end of the Term; and one percent (1%) of the sale price in said transfer if sold to a tax-exempt entity in the fifth year following the end of the Term.

SECTION 5. FURTHER ASSURANCES.

Section 5.1. MBE/WBE. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the

stabilization of taxes as described herein shall make a good faith effort to comply with any and all requirements under Chapter 21 Article II Section 52 of the Providence Code of Ordinances as it pertains to Minority and Women Business Enterprises.

Section 5.2. Internal Revenue Service reporting. Except as provided under R.I.G.L. § 28-42-8, any person performing services at the Property shall annually receive either a W-2 statement or an IRS Form 1099.

Section 5.3. First Source. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described herein shall enter into a First Source Agreement with the Director of First Source Providence in accordance with Chapter 21 Article III1/2 of the Providence Code of Ordinances.

Section 5.4. "Buy Providence" Initiative. Where found to be applicable and for the term of the stabilization period as defined in Section 2.2 above, the Property Owner afforded the stabilization of taxes as described therein shall make a good faith effort to ensure that any and all materials necessary to carry out the projects afforded the stabilization found in Section 2.3 above are purchased from economically competitive and qualified vendors located in the City of Providence, to the extent such materials can be purchased in the City of Providence. Furthermore, once the Property Owner completes said project, the Property Owner will use good faith efforts to conduct ongoing business with and provide preference to economically competitive and qualified Providence businesses in order to maximize the opportunities for Providence businesses to work with the Property Owner in providing on-going services, equipment and materials.

SECTION 6. DEFAULT.

The following events shall constitute an event of default hereunder:

- (A) Failure of the Property Owner to pay any amount due under or with respect to the tax stabilization in accordance with Section 2 above; or
- (B) Failure of the Property Owner to record this Agreement as required by and in accordance with Section 2 above; or
- (C) Failure of the Property Owner to meet any of the performance obligations set forth in Section 3 above; or
- (D) Failure of the Property Owner to annually report as required by Section 9 below; or
- (E) Failure of the Property Owner to notify the City in writing prior to the transfer of the Property; or
- (F) Transfer of the Property by the Property Owner outside of the terms of this Agreement; or
- (G) Failure of the Property Owner to comply with Section 5 above; or
- (H) Failure of the Property Owner to comply with any other obligation or promise contained within any section or subsection of this Agreement; or
- (I) Failure of the Property Owner to comply with all state and local law regarding building and property maintenance codes, zoning ordinances, and building and/or trade permits; or

- (J) Failure of the Property Owner to remain current on any and all other financial obligations which would affect the priority of the City lien for taxes due and owing or which would jeopardize the City's ability to collect taxes under this Agreement or under generally applicable state and local taxation laws.

SECTION 7. NOTICE AND CURE.

Section 7.1. Notice and Cure Period. The City shall provide written notice to the Property Owner before exercising any of its rights and remedies under Section 8 below. The Property Owner shall have thirty (30) days to cure any alleged default under this Agreement, provided, however, that if the curing of such default cannot be accomplished with due diligence within thirty (30) days, then the Property Owner shall request an additional reasonable period of time from the City to cure such default as may be necessary provided that the Property Owner shall have commenced to cure such default within said period, such cure shall have been diligently pursued by the Project Owner and the City does not reasonably deem the taxes jeopardized by such further delay, all as determined by the City in its sole discretion.

Section 7.2. Agreed Upon Address for Purposes of Written Notice. All notices, requests, consents, approvals, and any other communication which may be or are required to be served or given (including changes of address for purposes of notice) shall be in writing and shall be sent registered or certified mail and addressed to the following parties set forth below:

If to: City of Providence
Office of the City Clerk
25 Dorrance St.
Providence, RI 02903
*Accompanied by 9 copies

If to: Omni 1R, LLC
P.O. Box 856
East Greenwich, RI 02818

Copy to: David Campanella, Esq.
272 West Exchange Street
Providence, RI 02903

SECTION 8. RIGHTS AND REMEDIES.

Section 8.1. Retroactive Revocation of Tax Stabilization. In the event of a default under this Agreement which remains uncured after the notice and cure period set forth in Section 7 above, the Property Owner shall pay to the City an amount equal to the difference between the stabilized tax payments made under this Agreement and the amount of Property taxes that would have been assessed and paid during the tax stabilization term as defined in Section 2.2 above, but for this Agreement. The entire

retroactive tax obligation will become due and owing on the same date that the next quarterly taxes are due for all other taxpayers in the City.

Section 8.2. Collection of Taxes. At any time during the tax stabilization term as defined in Section 2.2 of this Agreement, the City of Providence may pursue any and all rights and remedies arising under any state or local law, including but not limited to Chapters 7-9 of Title 44, and/or arising under this Agreement to collect stabilized taxes due and owing in accordance with the tax stabilization plan outlined in Section 2.3 above and/or to collect retroactive taxes pursuant to Section 8.1 above.

Section 8.3. City's Lien Remedies and Rights. Nothing herein contained shall restrict or limit the City's rights and/or remedies with respect to its first priority lien for taxes as provided under Title 44 of the Rhode Island General Laws. Rather, this Agreement shall be construed to provide a complete additional alternative method under contract law for the collection of taxes, and shall be regarded as supplemental and in addition to the powers conferred by other state and local laws.

Section 8.4. Property Owner's Rights. During the tax stabilization term as defined in Section 2.2, the Property Owner agrees to waive and forever forgo any and all of its rights and privileges under Title 44 of the Rhode Island General Laws, as they pertain to the Tax Payments due and owing pursuant to this Agreement. Nothing herein shall be construed to limit the right of the Property Owner to pursue its rights and remedies under the terms of this Agreement.

Section 8.5. Waiver. Failure or delay on the part of the City to exercise any rights or remedies, powers or privileges at any time under this Agreement or under any state or local law shall not constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, remedy, power of privilege thereunder.

Section 8.6. Joint and Several Liability. In the event of default under this Agreement Omni agrees to remain jointly and severally liable with any and all Property Owners.

SECTION 9. MISCELLANEOUS TERMS.

Section 9.1. Annual Progress Report. The Property Owner shall provide annual reports to the City on its progress in complying with the provisions of this Agreement. Specifically, its report shall include a performance report on rehabilitation and/or improvements with evidence of final construction costs, status of stabilized tax payments, evidence of compliance pursuant to Section 5 above, and overall financial well-being. Upon receipt and review, the City may require and request additional information.

Section 9.2. Monitoring Fee. The Property Owner shall remit a monitoring/compliance fee to the City in the amount of 0.01 percent of the cost of the project annually for the term of this Agreement.

Section 9.3. Severability. The sections of this Agreement are severable, and if any of its sections or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of the court shall not affect or impair any of the remaining sections or subsections.

Section 9.4. Applicable Law. This Agreement shall be construed under the laws of the State of Rhode Island, the City of Providence Home Rule Charter, and the City of Providence Code of Ordinances, as amended.

Section 9.5. Modifications, Amendments, Terminations, and/or Extensions. This Agreement shall not be modified, amended, extended, terminated, or altered in any way by oral representations made before or after the execution of this Agreement. Any and all modifications, amendments, extensions, terminations, or alterations must be in writing duly executed by all parties. As for termination of this Agreement, neither party shall unreasonably withhold its consent to terminate the Agreement.

Section 9.6. Entire Agreement. This Agreement and all attachments, addenda, and/or exhibits attached hereto shall represent the entire agreement between City and the Property Owner and may not be amended or modified except as expressed in this document.

Section 9.7. Effective Date. This Agreement shall take effect upon execution by all parties.

IN WITNESS WHEREOF, Omni and the City have executed this Agreement.

OMNI 1R, LLC	CITY OF PROVIDENCE
By: _____, Its <u>Manager</u>	By: _____ Authorized Signature
By: _____ Authorized Signature	By: _____ Authorized Signature
Print Name: <u>William D Stefano, Jr.</u>	Print Name: <u>Jorge O. Elorza</u>
Title: _____	Title: <u>Mayor of Providence</u>
Address: <u>Omni 1r, LLC</u>	Address: <u>City Hall</u>
<u>P.O. Box 856</u>	<u>25 Dorrance Street</u>
<u>East Greenwich, RI 02818</u>	<u>Providence, RI 02903</u>
Date: _____	Date: _____
	Approved as to form and correctness: _____ Jeffrey Dana, City Solicitor

EXHIBIT A			
TAX STABILIZATION PLAN			
TAX YEAR	BASE ASSESSMENT TAX	PERCENTAGE OF FULL ASSESSMENT INCREASES	TAX PAYMENT UNDER STABILIZATION AGREEMENT
2017	\$56,724	\$0.00	\$56,724
2018	\$56,724	20% of (2018 Assessment Value-\$1,545,600) * 2018 Commercial Tax Rate	\$56,724.00 plus 20% of (2018 Assessment Value-\$1,545,600) * 2018 Commercial Tax Rate
2019	\$56,724	40% of (2019 Assessment Value-\$1,545,600) * 2019 Commercial Tax Rate	\$56,724.00 plus 40% of (2019 Assessment Value-\$1,545,600) * 2019 Commercial Tax Rate
2020	\$56,724	60% of (2020 Assessment Value-\$1,545,600) * 2020 Commercial Tax Rate	\$56,724.00 plus 60% of (2020 Assessment Value-\$1,545,600) * 2020 Commercial Tax Rate
2021	\$56,724	80% of (2021 Assessment Value-\$1,545,600) * 2021 Commercial Tax Rate	\$56,724.00 plus 80% of (2021 Assessment Value-\$1,545,600) * 2021 Commercial Tax Rate
2022			
FULL TAXATION RESUMES			
* All Years refer to Tax Years.			