

# City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CHAPTER 1996- 53

### No. 632 AN ORDINANCE ESTABLISHING A TAX STABILIZATION PLAN FOR VARGAS MANUFACTURING CORPORATION

*Approved* November 22, 1996

*Be it ordained by the City of Providence:*

WHEREAS, Section 21-169 of the Ordinances of the City of Providence grants authority to the City Council, pursuant to Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, to exempt property used for industrial or commercial purposes from the payment of property tax if the granting of the exemption meets certain conditions set forth in said Section of the Ordinance; and

WHEREAS, The Vargas Manufacturing Corporation has made application under, and has satisfied each condition of the above-mentioned Ordinance; and

WHEREAS, The Vargas Manufacturing Corporation is a commercial concern who intends to retain its facility in the City of Providence and agrees, as a condition of this tax treaty, to not reduce substantially its workforce in the City of Providence, on 735 Allens Avenue in Providence, Rhode Island, on Assessor's Plat 101, Lot 519 and ("Project"); and

WHEREAS, the Project will cause an increase in the tax base of the City and will increase employment opportunity in the City; and

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

#### **Be It Ordained by the City of Providence:**

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

Section 2. As long as Vargas Manufacturing Corporation owns or operates the facility, it will continue to pay taxes on the facility. Vargas Manufacturing Corporation, its successors and assigns, agree that this property will be subject to

No.

CHAPTER

AN ORDINANCE Establishing a  
Tax Stabilization Plan for  
Vargas Manufacturing Corporation

SEP 19 1996  
IN CITY COUNCIL

FIRST READING  
REFERRED TO COMMITTEE ON  
FINANCE

CLERK

THE COMMITTEE ON

*Finance*  
Recommends

*Continued*  
*Clare Bestwick*  
Sept. 30, 1996  
Oct. 21, 1996 P. H. Led

Clerk

THE COMMITTEE ON  
FINANCE

Approves Passage of  
The Within Ordinance

*Clare Bestwick*  
Oct. 28, 1996

Clerk

*Councilman Rollins (By Request)*

taxation at the expiration of the tax treaty. Vargas Manufacturing Corporation also agrees not to transfer the property to a tax-exempt entity or to allow any transfer by any subsequent transferee to a tax-exempt entity during the term of the tax treaty. Vargas Manufacturing Corporation agrees to ensure that any transfer or successor will be able to make payments under the tax treaty. Vargas Manufacturing Corporation is also required as a condition precedent to this tax treaty to record notice of the requirement that the property covered by this Ordinance be transferred only to a tax-paying entity, as set forth herein; in the Land Evidence Records or the City of Providence. Notwithstanding this provision, in the event that the successor to the property does not make the payments under the tax treaty, Vargas Manufacturing Corporation will be responsible to make payments in lieu of taxes to the City of Providence in the amounts set forth in the attached schedule. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, whether by Vargas Manufacturing Corporation or any subsequent transferee of such property, Vargas Manufacturing Corporation will be responsible to make payments in lieu of taxes to the City of Providence equal to the amount of taxes which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein or in the tax treaty used in connection herewith, the provisions of this Section 2. shall continue to be given full force and effect until such time as the same shall be amended or terminated by majority vote of the City Council of Providence.

Section 3. It shall be the goal of Vargas Manufacturing Corporation to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("MBE Act") no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to the MBE act). It shall be Vargas Manufacturing Corporation's further goal to award to woman business enterprises (WBE) no less than 10% of the dollar value of the construction costs for the project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence). It shall be a further goal of Vargas Manufacturing Corporation to achieve a minimum level of 10% for minority and 10% for female employment.

Section 4. In making employment decisions for the facility located at 735 Allens Avenue, Vargas Manufacturing Corporation shall give preferential consideration to qualified employees/applicants who reside in Providence.

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

Section 6. That the real and personal property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real and personal property tax rates in effect for the City's 1996 fiscal year.

Section 7. That the City, in accordance with Section 44-3-9 of the Rhode Island General Laws and Section 21-169 of the Code of Ordinances for the City of Providence, is hereby authorized to grant an exemption from the assessed valuation for tax purposes as of December 31, 1997 up to and including December 31, 2006 to The Vargas Manufacturing Corporation located on 735 Allens Avenue, Providence, Rhode Island, on a portion of Assessor's Plat 101, Lot 519, as provided in the above-mentioned Ordinance, in accordance with the schedule in Exhibit A.

Section 8. This Ordinance shall take effect upon its passage.

IN CITY COUNCIL  
NOV 7 1996  
FIRST READING  
READ AND PASSED  
*Michael X. Clement*  
CLERK

IN CITY  
COUNCIL  
NOV 21 1996  
FINAL READING  
READ AND PASSED  
*Evelyn V. Fargnoli*  
PRESIDENT  
*Michael X. Clement*  
CLERK

APPROVED  
NOV 22 1996  
*Vincent A. Cianci*  
MAYOR

RECEIVED BY CITY ASSESSOR  
PROVIDENCE RHODE ISLAND

APPLICATION FEE FORWARDED TO  
COLLECTOR

REVIEWED BY ASSESSOR WITH THE  
FOLLOWING RECOMMENDATIONS

SIGNATURE/DATE/ASSESSOR

\*\*\*

RECEIVED BY CITY COLLECTOR

APPLICANT OWES FOLLOWING TAXES

TAXES ARE PAID IN FULL

ARRANGEMENTS HAVE BEEN MADE  
FOR PAYMENT OF OUTSTANDING TAX

SIGNATURE/DATE/COLLECTOR

\*\*\*

RECEIVED BY BUILDING INSPECTOR

PLANS AS REVIEWED MEET ALL CUR-  
RENT CODES/STATUTES OF CITY

NO VIOLATIONS EXIST ON THIS OR  
OTHER PROPERTIES OWNED BY  
APPLICANT

\*VIOLATIONS EXIST AS FOLLOWS

VIOLATIONS HAVE BEEN DIS-  
CUSSED WITH APPLICANT(S)  
ARRANGEMENTS HAVE BEEN  
MADE TO CORRECT SAME

SIGNATURE/DATE/BUILDING INSPECTOR

8/30/96

DATE

\$300.00

AMOUNT

10 year stabilization

*[Signature]* 8/30/96

\*\*\*

\*\*\*

DATE

YEAR

AMOUNT

YES

NO

\*\*\*

\*\*\*

Aug. 29, 1996

DATE

YES

XX

NO

XX

YES

NO\*

YES

NO

*Ranji J. Jorgensen*

**CITY OF PROVIDENCE, RHODE ISLAND**  
**APPLICATION REQUESTING**  
**TAX STABILIZATION FOR COMMERCIAL / INDUSTRIAL PROPERTIES**  
**ACCORDING TO**  
**CHAPTER 21 OF THE CODE ORDINANCES AS AMENDED**

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**PAY OF NON-REFUNDABLE APPLICATION FEE  
MUST ACCOMPANY APPLICATION ACCORDING TO  
THE FOLLOWING SCHEDULE:**

\$150.00 FOR PERMIT UP TO - \$250,000  
\$225.00 FOR PERMIT FROM \$251 - \$750,000  
\$300.00 FOR PERMIT OVER - \$751,000 ✓

DATE AUGUST 14, 1996

1. NAME & ADDRESS OF APPLICANT ALLENS REALTY, LLC AFFILIATE OF  
(IF CORPORATION/PARTNERSHIP,  
GIVE NAME & TITLE OF CEO FILING ARMBRUST INTERNATIONAL, LTD.  
APPLICATION). ERWIN PEARL, PRESIDENT
2. IF APPLICANT IS LESSEE, GIVE N/A  
NAME AND ADDRESS OF OWNER  
AND SPECIFIC TERMS OF LEASE
3. LOCATION OF PROPERTY 735 ALLENS AVENUE PROVIDENCE, RI
4. ASSESSOR'S PLAT AND LOT
5. DATE & PURCHASE PRICE OF SEPTEMBER 15, 1996 (CLOSING DATE)  
EXISTING PROPERTY \$1,000,000 BUILDING AND OTHER ASSETS
6. COST & PROJECTED DATE OF  
ADDITIONAL PROPERTY TO BE  
PURCHASED FOR THIS  
EXPANSION PROJECT

7. ESTIMATED COST OF EXPANSION/ N/A  
RENOVATION. (ATTACH EVIDENCE  
SUPPORTING SUCH FIGURE: COP  
OF BIDS, CONSTRUCTION CONTRACT,  
ARCHITECT'S CERTIFICATION). GIVE  
DETAILS AS TO SCOPE OF PROJECT  
TO BE UNDERTAKEN--# OF STORIES  
TYPE OF CONSTRUCTION, TOTAL  
SQ. FT. ETC.)

8. DESCRIBE EXISTING FACILITY:

# OF STORIES	<u>3</u>
# OF SQ. FT./ FLOOR	<u>84,000 (28,000) PER FLOOR</u>
AGE OF BUILDING(S)	<u>1947</u>
TYPE OF CONSTRUCTION	
INTERIOR CONDITION	<u>GOOD</u>
EXTERIOR CONDITION	<u>GOOD</u>

9. APPLICATION IS MADE UNDER THE X a. locate in City of Providence  
PROVISION OF THE ORDINANCE b. replace section of premises  
FOR THE FOLLOWING REASON(S) d. expand building  
(CHECK ONE OR MORE) e. remodel facility  
f. construct new building (s)  
g. other (explain)

10. WILL PROPOSED CONSTRUCTION/ YES NO  
ALTERATION INCREASE THE  
EMPLOYMENT AT YOUR COMPANY

IF YES, GIVE ESTIMATE AS TO  
NEW POSITIONS TO BE CREATED  
AND JUSTIFICATION FOR SAME

11. WILL THE PROPOSED ALTERATION/ YES NO  
CONSTRUCTION CAUSE ANY OTHER  
FACILITY TO CLOSE?

12. WILL CONSTRUCTION/ALTERATION YES NO  
REQUIRE PURCHASE OF ADDITIONAL  
FURNITURE/FIXTURES/EQUIPMENT?  
IF YES, GIVE DETAILS AS TO NUMBER  
AND TYPE TO BE PURCHASED

13. CONSTRUCTION SHALL BEGIN N/A  
ANTICIPATED THAT CONSTRUCTION SHALL BE COMPLETED \_\_\_\_\_

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

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

HAS HEARING BEEN SCHEDULED? \_\_\_\_\_

IT IS THE UNDERSTANDING OF THE APPLICANT(S) THAT THE EXEMPTION, IF APPROVED, IS APPLICABLE ONLY TO COMMERCIAL/ INDUSTRIAL CONCERNS WHO WISH TO LOCATE IN THE CITY, OR WHO WISH TO REPLACE, RECONSTRUCT, EXPAND OR REMODEL CURRENT FACILITIES; THAT MEET THE APPROVAL OF THE BUILDING INSPECTOR; THAT ALL CURRENT AND PAST TAXES DUE BY THE APPLICANT(S) MUST BE PAID IN FULL; THAT THE EXEMPTION WOULD BE ATTRIBUTABLE ONLY TO THAT PORTION OF THE ASSESSMENT ATTRIBUTABLE TO THIS CONSTRUCTION / RENOVATION; THAT THE EXEMPTION MAY BE REVOKED IN THE EVENT OF FRAUD OR MISREPRESENTATION BY THE APPLICANT(S).

*Erwin Pearl* x  
SIGNATURE OF APPLICANT PRES.

*Michael R. Gruppo*  
WITNESS

735 ALLENS AVE  
ADDRESS PROVIDENCE, R.I.

8/15/96  
DATE

8/15/96  
DATE



Year #	% Abated	Date	Taxes Pd.	Assessment Abated	Taxes Abated
1	90%	12/31/96	\$ 3,288	\$ 972,900	\$ 29,596
2	80%	12/31/97	\$ 6,577	\$ 864,800	\$ 26,307
3	70%	12/31/98	\$ 9,865	\$ 756,700	\$ 23,019
4	60%	12/31/99	\$ 13,154	\$ 648,600	\$ 19,730
5	50%	12/31/00	\$ 16,442	\$ 540,500	\$ 16,442
6	40%	12/31/01	\$ 19,730	\$ 432,400	\$ 13,154
7	30%	12/31/02	\$ 23,019	\$ 324,300	\$ 9,865
8	20%	12/31/03	\$ 26,307	\$ 216,200	\$ 6,577
9	10%	12/31/04	\$ 29,596	\$ 108,100	\$ 3,288
10	0%	12/31/05	\$ 32,884	\$ -	\$ -
<b>Totals</b>			<b>\$ 180,862</b>	<b>\$ 4,864,500</b>	<b>\$ 147,978</b>
<b>Total Assessment \$ 1,081,000.00</b>					
Stabilization Armburst International, Ltd.  Plat 101 Lot 519  Projected Assessment: Land                     \$ 145,200 Improvements         \$ 935,800 Total Assessment     \$ 1,081,000					

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

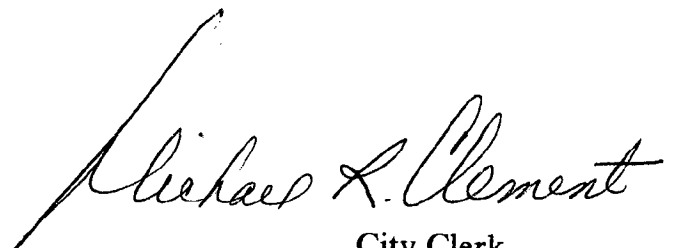
**DATE:** September 9, 1996

**TO:** Patricia McLaughlin, Deputy City Solicitor

**SUBJECT:** AN ORDINANCE ESTABLISHING A TAX  
STABILIZATION PLAN FOR ARMBRUST  
INTERNATIONAL, LTD.

**CONSIDERED BY:** Michael R. Clement, City Clerk

**DISPOSITION:** Enclosed is an Ordinance which was referred to the  
Committee on Finance. Would you kindly word this  
Ordinance into its proper form.

  
City Clerk