

DEPARTMENT OF CITY CLERK

CITY HALL

SEPTEMBER 9, 2003

The Committee on Finance meets this day at 6:00 o'clock P.M., in the Conference Room, Department of City Clerk, Third Floor, City Hall.

PRESENT: Chairman Kevin Jackson, Councilman Peter S. Mancini, Councilman Miguel Luna -3.

ABSENT: Vice-Chairwoman Carol Romano and Councilman Luis Aponte -2.

ALSO PRESENT: John Gelati, Deputy Tax Assessor, Fred Stolle, Assistant City Solicitor, Carol Grant, Mark Van Noppan, Councilwoman Josephine DiRuzzo, Councilwoman Rita Williams, Michael R. Clement, City Clerk, Anna M. Stetson, Second Deputy City Clerk and Jennifer L. Emidy, Assistant Clerk.

AN ORDINANCE ESTABLISHING A TAX STABILIZATION PLAN FOR 166 VALLEY STREET LLC ON BEHALF OF THE RISING SUN MILLS PROJECT.

CHAIRMAN JACKSON: As all tax stabilizations we will need to schedule a Public Hearing. We will hear the initial presentation from the developers and whoever else is here to testify. I don't know if anyone from the administration is going to speak and then we will schedule a Public Hearing.

MR. DUPRE: Mark Van Noppan is here, my other partner Lebaron Preston is due shortly. I would like to introduce you to Bill Struever of Struever Brothers Eccles & Rouse, Inc. Bill actually invited us about eighteen months ago to come and take a look at Rising Sun and actually asked us if we had an interest in pursuing this with this company. At that time we were a little skeptical because if you have driven down Valley Street recently you will see that the street has some challenges. There are numerous burnt out buildings, there is a mill complex of former Antonelli Plating is burnt and the street is just visually very harsh. A big part of that is the jewelry, first it was the textile mills and then replaced with

September 9, 2003

-2-

jewelry and as those jewelry mills, basically the jewelry business one who oversees the mills became largely vacant. Rising Sun mills when we get down there and this is some before pictures of what the buildings look like today. The buildings are incredible in terms of architecturally they are brick construction, heavy timber, historically they were originally the national mill complex, but they generated more woolen fabrics than any other mill in the country when there were at their hay day. Some of the buildings are missing, this will give a little bit of a flavor of what the interior of the mill spaces look like. This here is the water fall that use to power all of the mills and was originally constructed to be powered by water.

There is a parking in the back which was mill park. This image here is a rendering of an artist rendering of what the project will look like when it is actually up and restored. This portion of the property is where there will be an accessible 100,000 sq. ft. of commercial space. The offices on the upper floors, with some retail on the first floor. We are proposing to put a restaurant on this little building which was originally the offices of the former mill. This portion was here will the residential portion, and all toll there will be 150 residential lofts. These will have as you can see here 12 ft. ceilings, big windows, and basically brought up to date. There will be all new plumbing, roofs, wiring, new sprinkler, high efficient gas heating. The big expense is the windows. The windows are all the original windows from the mill and they are at the end of their useful life. All of these will be replaced with brand new up to date historic windows. The site itself is interesting because when you are on Valley Street here it is very, like I said if you drive down Valley Street today it is very gritty and still needs lots of improvements. It has years of lack of investment on the street and has taken its toll. Once you go behind the buildings you come up to the river and from the back side, this is a view from the back side of the buildings as seen from up the hill with the river here. When you are back behind these buildings you have no idea that you were actually on Valley Street or the City of Providence. It is very lush, it is green, the river has a surprisingly

September 9, 2003

-3-

amount of wildlife still there. There is a six foot blue crane, blue heron that lives back there and if you tromp around you can see them on numerous occasions. It is a pretty special spot. We are working now with the Greenland and the entire site is 15.7 acres so it is a large site, about 900 ft. along the river. We are working with the Greenway to actually restore this whole embankment. Today the asphalt runs pretty much runs up to the bank of the river and trees growing through the asphalt. We are working also with the Department of Transportation to bring the bike path onto the property. Originally their plan was to bring the bike path along this side, and the former owners really did have an interest of having the bike path on the property. We have worked now and it looks like the bridge will cross approximately here so you will have a bike path and it will go down town and connect all the way to the East Bay will now come and cross onto the property and run along the river and continue into Olneyville. The other things that we are looking at is the river for this project is a tremendous amenity. We are showing the kayakers here with a little bit of extra work in working with the Greenland neighborhood groups to put in kayak/canoe launch ramp. At some point you would actually take your kayak from here and actually go to work or go to the mall. I guess it is a little difficult at low tide. This is the water fall which is the end of the portion of the river. The bike path is interesting because one of the things that this does is it provides some variance of cool, in town, loft residents. The bike path allows you to live here and you can get on the bike path and take your bike into Eagle Square and do shopping at Shaw's or continue right down into the city. We think this is actually a great thing that people would actually instead of driving their cars into down town they could actually take the bike. It is about a five minute bike ride from this location. On this board here this is an aerial view. A couple of things I will point out. In here the parking lot this is all basically asphalted in and is a very large asphalt parking lot. There is not a single tree, most of the trees have grown up through the asphalt and along here. We are proposing a

September 9, 2003

-4-

commercial, residential, and you have parking here and parking in the front for the commercial and the retail. Part of what was done here with the landscape architects was they created these green squares that are actually depressions in the parking lot that are planted, so rather than the water which today runs off the parking lot and directly into the river the water will actually fall into the swales where it is actually pre-cleaned by the vegetation of the plant. I don't have an exact count but it is about 120 trees that will actually be planted on this site that will be represented by the green servers. From any of these buildings that you will have a few out towards the river that is much greener than it is today. This portion that you see here is a park, the garden in the park really designs that really connect this portion of the site to the overlook and the waterfalls. Here you see the waterfall, the edge of the bridge and the bike path. It is a big green space, so if you want to get outside and play Frisbee cook a hamburger, you would have a big green space and this is in excess of 1 acre. This section ties into the overlook that we are proposing for the waterfall. The units themselves there are 150 loft units and they have been designed right from the get go to be affordable, market rate. One of the things that is happening is that if you have come to Providence and say well here it is I have heard all this stuff about Providence and we see a lot in the Armory district, young people are coming into town and say this is a great place to live, great city. They are looking for rental lofts and today this product does not exist in the city. There are a few of them in the jewelry district. They are starting to get some for sale units down at the Monohassett Mills, but if you wanted to come in lots of communities Boston, New York, Philadelphia, Chicago, Cleveland, LA they have these big loft neighborhoods where people want this. The tall ceilings, the big windows, it is a different floor plan than what we intend to have in Providence where most of the housing is wood frame two and three family homes. The units are very cooler in so much that you would get slices so that these very large floor plans, to give you an idea of it that if you were in this space today this is 25,000 sq. ft. on one floor so

September 9, 2003

-5-

once that is actually divided into lofts some of have corner units that have a few windows, and the smallest units may have two big windows. Even though they are not necessarily on a square footage basis they may only be 600 sq. ft. you have a 12 ft. ceiling, enormous windows, and it is really a sense of big space. The larger units are very spacious and they have two levels and offers a product that Providence really doesn't have today. When you come to town and say I am looking for something, I want to paint, I want a big space we don't have that and this is one of the things that rising sun will do. We have struggled to keep this at a price point that will be affordable. The units range from a low of \$600.00 dollars per month to a high of \$1,600.00 dollars per month. Most of the property most of the units hit the price point between \$700.00 dollars and \$1,100.00 dollars per month. This is something that is important and we try and really make it so that it is affordable to a wide range of the market. At those price points you will have a lot of interest from people within the neighborhood, people in the city and people who want to move into the city, because today it is not available. I think when you see other projects in the city that are going up today are JPI, very nice units almost double the price. These units are coming in about \$1.20 sq. ft. per month, for JPI it is \$2.10 sq. ft. Say you are in 1,000 sq. ft. unit here would be \$1,200.00 dollars, there would be \$2,400.00 dollars. This is really not luxury housing this is where housing is designed to hit a wide range. These again with the lofts they are not, they are fully applianced, tile floor in bathroom, they are nicely applianced. We have a laundry facility in the building and washer and dryers are available if you would like to pay a premium for the water and sewage charge. One of the things that the project does that is probably not available if you were to come to town and move into a three family or two family house. This has a very nice, when you come into the entry there is an entry sequence when you drive around, there is visible parking here. This is the main entrance to the building is here. You step into the old boiler rooms and the ceiling is 30 ft. high and you are in this incredible

September 9, 2003

-6-

Victorian space with the deep brick arch ways, then you come into the lobby. The lobby is generous you have pool table, fitness room, small business office where you can actually go and send a fax or get your e-mail, big screen T.V. It is really designed so that somebody in a small unit would actually come into a very nice lofty facility and have a spot where they could actually meet their neighbors. We have seen this in bigger communities this is popular. Building nine this is a cement block finish and it was warehouse space and this will be 60 spaces for parking. One of the things that we have a bit of parking and we end up with a share with the commercial spaces and most of the units their needs are during the day, and during the evenings when people leave for work other people are just coming home. We end up with enough parking to really serve the whole community and don't have variances for it. One of the things that we have heard of and is continued here is a concern about us gentrifying the neighborhood. This group right now is a lively group that is down there and we are making great strides in Oneyville to get stuff going. They look at our company and we have been in business for 17 years. They only know us by 101 North Main Street which is above kildren mills or 2 Thomas Street where we did these luxury condominiums, or the lofts that we did at 755 Westminster Street. They look at that and say these are expensive, this is like luxury housing because they have only been in town for a short period of time and they are only familiar with this higher end units that we have done most recently. Most of at least 85 percent of what we have developed in the City of Providence has been vacant buildings, burnt out buildings, foreclosed buildings, vacant lots that use to have trash and that goes with projects that I just mentioned. These are the most expensive condominiums, 2 Thomas Street that building was collapsing and vacant. The administration was suggesting that it should be condemned, 101 North Main Street had a fire and same thing with 755 Westminster Street Harold Furniture had closed down 5 years earlier and all those windows were boarded. All of those projects that I just mentioned those are all now back and they are some of

September 9, 2003

-7-

the nicest condominiums in the city. They were done without a tax stabilization treaty and they are all now doing their part to help the city's tax base. Our projects that we realize that these were small projects with 6,10,12, units and we were really not doing much to solve what is becoming a real housing crisis in the city. Our background in the Armory District really was affordable housing. We have created lots of homeownership opportunities with most of our units all selling below \$100,000.00 dollars. Today we see 17 years later those houses are changing hands at a lot higher dollars but that is more function of the market than us driving the prices up. The neighbors change and still it is still a very diverse neighborhood and it is the question about our units are diverting in the Armory District has not been the case. Although prices have gotten higher basically through the work that we have done there is more diversity today because all the vacant buildings that will be rehabbed. This project that we are doing at the old Harold's Furniture off Broad Street these are buildings that have been vacant for a while and that is probably why this project became available to us. There was a large jewelry company and they were doing a lot of repackaging and they took 250,000 sq. ft. and when they moved out the mill was basically vacant, they have less than 15 percent occupancy. The Lakers who own the mill bought were planning to shut the rollers down and the originally boilers that were put in way back when they burn number six fuel. Usually they required a few people around the clock to maintain them. Last year so that we could keep the sprinkler system on we had to keep the heat on and ran a \$4 million dollar deficit, but basically if the sprinklers are not on the insurance goes. We see just up the street what happens to vacant mill buildings. People get into them fires get started. We think this is huge for the community that this building will not go vacant with the way it is today it is a little bit of a dinosaur in terms of it has been maintained but nobody has made the investment to bring it up to speed. One of the things that I will mention that in this area here there were four 20,000 gallon fuel oil tanks that we moved from the site at a cost of just

\$500,000.00 dollars. These had leaked for years and when they took them out there was a hole about ten times the size of this room, a little deeper and filled with just thick black oil. We are just finishing up the remediation of that and so this environmental problem that has been there for years is now been fixed, and to give you an idea of the dollars that we are talking about here is the project today is at \$56 million dollars we spent all toll on the project. It is giant dollars, the federal tax credits which we will take for the entire project Rhode Island State tax credits and even with these tax credits we are still trying to figure out how we carve \$2 million dollars out of this budget because the numbers are high. This whole portion is a commercial portion, Bill's company from Baltimore has done just a fabulous job. If you have been to Baltimore the inner harbor is largely Bill's work there.

MR. STRUEVER: The important part is this really a homecoming for me. My partner and I graduated from Brown in 1974 and I spent my senior year unloading a freight car at the whole sale terminal right across from the fancy new apartments at Jefferson Place from 2:00 o'clock am to 8:00 o'clock am. I have fond memories walking from Blackstone to Prairie where I lived and through the neighborhood over Atwells bridge and down Prairie to work in the morning. It has changed a lot, Providence is an enormously different place from when I graduated. I was probably one of the few Master Electricians to come out of Brown and we went to Baltimore because the Mayor there was selling houses for \$1.00 dollar and my mom had just gotten a job teaching at Johns Hopkins so we had free room and board deal for fixing up here house. Over the years we have grown to become one of the largest smart growth urban redevelopment companies on the East Coast. We have 230 people, 130 in our main office. We have 25 projects under construction at one time and our market area extends on our the North side, to Boston we are doing the historic rehab at Fenway Park and we just put the seats in the Green Monster and it has been a lot of fun. We have been working as far down south as Virginia and we are working in Delaware, New Jersey, Pennsylvania, and we are

September 9, 2003

-9-

looking at some big Brown Field water front projects in New York and obviously we are here in Rhode Island and very excited about it. What we typically do is look at a whole community and we are not particularly interested in doing a bill in but we are most excited at looking at neighborhoods that have real potential and they have some challenges but have potential in where the community organizations, major employers, and the local government and other kind of key state holders are interested in making significant improvements in that neighborhood. We got introduced to the Valley Street Olneyville neighborhood through Eagle Square when Mayor Cianci through my old college landlord Mr. Biledeau invited us in to give a second opinion on if it was possible to save some of the buildings that Eagle Square, the original plan was to demolish all 13 buildings for the supermarket. We came back with some ideas on how you might save some of the buildings and we are excited to see it actually taking shape today. That was our introduction and it was through my daughter who was at the Planning Commission protesting against Eagle Square that we met the Blakers and they said Eagle Square isn't exactly what you are able to do in Providence we happen to have this mill complex right up the street and as B.J. said our major tenant is moving out and we really don't see a future for the building in its industrial past. We are looking for ideas in how to put in back into new productive use. As we look at communities most of our projects are mixed use. We are great believers with the basic notion of driving spirits of cities or neighborhoods as being the delightful diversity of activity, and people and uses and the density that city and urban neighborhoods bring that create more of a synergy where people live and work, raise their children, and have fun then all of that together is really what makes cities different than suburbs and really a special place to be. We are excited about Rising Sun because it does reflect that mixed use principal. We are great believers that there is compelling interest in these older mill buildings in today's modern technology driven market place because they are big wonderful wide open, lots of natural light, and bring in the

September 9, 2003

-10-

state of the art communications and with the infrastructure you can create space that is directly competitive with the boring green field suburban development for many kinds of employers not just new technology business, non-profits, institutions. Our experience is we love this kind of product. In Baltimore where the city is historically has been timid about creating office space and by reputation can only absorb 150 sq. ft. we know in the last few years have done 1 million and quarter sq. ft. and 3 years into a soft office leasing market in the U.S. all the buildings are full and I think it reflects kind of the market interest in the wonderful old mill buildings when they are properly planned and properly renovated. We expect to have at Rising Sun by the time we are finished and fully leased to have 400 permanent jobs in this 125,000 sq. ft. new office space. Office users really are the drivers of urban economy and there are a lot of other kind of jobs that are in cities services, retail, tourism, some industrial uses but by in large if you look at job growth in cities today it is office users of one type or another and Rising Sun we are excited to be able to say we will have an expected 400 people working there. One of the reasons we have confidence is we have a major out of town tenant that will be taking initially 75,000 sq. ft. and growing over the next 3 years to 100,000 sq. ft. which would have 300 highly paid jobs moving into the City of Providence, which makes our goal more realistic. We also have construction jobs we expect 400 people to be working over the course of the project. The total construction budget is around \$34 million dollars including tenant build out. One of the things we will be talking about in a second is Steve Cole from my company is here to explain our community hiring program. This is a comment our company makes as part of its overall interest in being a constructive part of neighborhoods and where we work. We have a full time staff that does nothing but community partnerships. It is a partnership for schools, partnerships for community organizations in a variety of ways. In particularly around community hiring and trying to maximize participation of neighborhood and local business and minority

September 9, 2003

-11-

owned and women owned business, not just for the construction phase of the project but in the ongoing life and ongoing operations of the project. That is an important element as we go to contract on the construction right now and Steve will talk about that. Our community interest really goes much further beyond of important elements of opening up the site and this delightful river frontage to the public as B.J. said we welcome having the bike trail on property and making it access to the public and access to the park. Working with the Greenway we are planning to do on October 4...something we have been doing a long time in Baltimore. Baltimore this year will be having \$1.5 million dollars worth of construction donated services, volunteer work on 30 different project ranging from school libraries, computer labs, park restorations, playgrounds, and we are now taking the show on the road and we are excited to be working with the Greenway and neighborhood groups on the park just down the street across the river from us. Another part of our community commitment as we look at the larger neighborhoods is to work with a community base group called Puente and my daughter is a part of that. At 60 Valley Street which is a burned out mill right up the street that we bought. It is 120,000 sq. ft. and is a significant building and we have pledged to work with them to the extent that Olneyville CDC is interested. I have worked with them also in terms of the full range of community interest in the neighborhood that might be housed and is a delightful facility. One of the things that is kind of reflecting this commitment is to community participation is over the next two weeks youth build will be working through Puente to help us clean up and secure 60 Valley Street which is really and eye sore and a nuisance in the neighborhood as it exists now. It is a first step to kind of introduce in the community of the building and being able to explore the range of possibilities that may include the Olneyville CDC, head start program, looking at some affordable live/work artist spaces, perhaps looking at some expansion opportunities for neighborhood business that would like to stay on Valley Street and in the

Olneyville neighborhood area. In related to the Puente and with our support tomorrow is posting a conference on green building technologies which we are hoping to put at Rising Sun Mills and at 60 Valley Street. Other elements of a community plan that we would love to see over time in any way that we could help encourage and support it happening, affordable senior housing we think there is a real opportunity. We have strong relationships with three of the countries larger, senior housing operators including one that I think would be particularly perfect which is cooperative services, and they have 30,000 units nationally. They have a Boston office and are interested in Rhode Island and they have some of the only truly resident managed senior housing anywhere. It is magical to go and see what their communities are like where the seniors are really running the whole show and create a delightful place to be. Those are a couple of elements that we see as important not only directly related to Rising Sun in terms of our commitment to working in partnership with the community in the coming years. That is a little overview of the project. The tax stabilization is essential to our building to be completed the \$56 million dollar financing on the project and if we can get the approval on that we are going to be good to go as fast as we can build it.

CHAIRMAN JACKSON: Thank you.

MR. COLE: I am with the community hiring program, and as Bill mentioned our goal is to work with as many different organizations in the Olneyville and Providence area to give access jobs to the community residents. With that said we have made outreach efforts with Groundwork Providence, Youth Builders Bill had mentioned, Casey Family Services, and also Network Rhode Island to take their candidates and all individuals from the Olneyville area to work with our subcontractors all our participating subcontractors to hire at least 30 individuals or more during the course of the project. One of the other concerns that was mentioned was the MBE/WBE participation. We have dialogue with the compliance officer as well as the MBE/WBE officer and to day with 55 percent of

phase one in terms of the contracts being awarded 21 percent has been given to the WBE/MBE subcontractors. In terms of the unit participation right now 68 percent of the contract of that 55 percent has been awarded to union subcontractors. We are looking to make a strong effort that we can get everyone involved in the course of construction. If you note on page 1 it just mentions briefly of the same community service outreach here in Providence in the black and white leaflet it is just a description of the community hiring program at large. It has been going on since 1995 and I have been involved in company for the last 4 years working as a person workforce development and now as a community hiring person. We have hired close to 600 folks during the course of the community hiring program in Baltimore and some portions of Delaware with our other project there and we are looking to do the same thing here in Providence.

CHAIRMAN JACKSON: Thank you. Is anyone else going to speak on the presentation at this time. Questions from Council or Committee Members?

COUNCILWOMAN DIRUZZO: Yes I would like to speak on the presentation. I am sorry I missed some of it. Naturally all of you present now that I am supporting this proposal. I am supporting it for a good reason, this community needs it badly. As I said when we did the Eagle Square project, this is an area that has been living in the darkness for many years without any help from the city, federal government, state. There never seems to be enough to stretch it to that area. There are many people that have live there 50 years, kid yourself not. Even though it looks like a deteriorated area the homeowners have tried very hard to maintain. Slowly but surely it continues to slide down. With the Eagle Square project, and Shaw's market it has made such a significant difference in that particular area. Not only to the people who live there, but the business as well. When you look at a project during the project economic development. I have been involved with projects for a good number of years, I sat on the Urban Redevelopment Committee, and I can tell you that I have learned a lot from it. When you look at a project you

September 9, 2003

-14-

look at the kind of change that it is going to mean to the people, is it going to be significant, is it going to be for the better of the community, or is it not. If it is and you feel that you know the community needs to make it better or bring it back to a viable community then you go with that development. The Rising Sun proposal is a project that we need desperately for the Valley Street area. It is going to compliment the development that is down there already. We need to upgrade the area and the city not the federal government, not the state, can contribute enough money to do that. I have tried that through revitalization projects on Valley Street and I spent about a quarter million dollars on revitalization just doing sidewalks and planting trees, and doing steady improvements. We don't have enough money to make a really difference. Now we have the opportunity to do something wonderful for this area, and not only this area but the areas that surround it Mt. Pleasant area, Olneyville area, Federal Hill area, we need projects such as this. We need developer such as the people that are here present tonight. I read some e-mails from different people in regard to why do we want to help an outside firm through tax stabilization when we have enough people in Rhode Island that want to do development. Well we have Rhode Islanders, we have Providence developers doing this project. We want to be able to lend a hand, it is only going to benefit the city and benefit the people who live there. They have been very depressed that nothing has happened over a number of years and I haven't been able to do more than I have for them and now I see a significant change happening and they want to continue. This neighborhood supports this project. They know it means jobs, they know it means it is going to benefit the area and bring the area back to a much more viable community. Yes there will be other people from outside of the neighborhood and outside of Providence deciding to come and live. We need to do that. People are worried about gentrification but you know what I am not so worried about it. We need to do this in order to bring Providence back to a viable place to live. This project affords us all those opportunities with an incubator, this

offers space for a community police station. You have seen the presentation, what more can we ask for. We are lucky I think to have the developer want to come in and do the Olneyville side, the Valley Street area of the Olneyville area. I think all of Olneyville will benefit from this. I don't see anything negative about it. I am hoping that you will all open your eyes and look at this in a global fashion, this development is going to change Providence. I am hoping that the members of the Finance Committee will decide to support this and do what we have to do.

CHAIRMAN JACKSON: Thank you Councilwoman. Other questions.

COUNCILWOMAN WILLIAMS: Yes Mr. Chairman thank you. I just wanted to also make some comments of support. I did visit the site and now I have heard the full presentation and I think we are very lucky to have a company, and lets not forget that Armory Revival Company is from Providence and when I sat on the Historic District Commission they came to us looking to rehab houses in the armory district originally, and they really have brought back in Providence, they have rehabbed buildings, they have built buildings, but I think they have a track record of doing good things in the City of Providence. As I was listening to the presentation and looking at the presenters both the gentlemen from Baltimore and our own B.J. just the way they are dressed shows what kind of people they are. They roll up their sleeves and they get right in there and do the work. They are hard workers and have already by their past record shown us that they will do a good job here and I think that the improvements just along the waterfront with the increased forestry that they are putting in there. I think that this will help to bring this neighborhood back and it is what we need and I would support it whole heartedly as well. I think we don't want to give anything away. We certainly want to look at the finances. We want to make it possible though for them to do this. Up front I would say that it has my support. I also encourage the Finance Committee, I know we have to have a Public Hearing and probably give testimony there as well. I think that this is a good project.

CHAIRMAN JACKSON: Thank you Councilwoman. Other questions or comments from Committee Members? Anyone else that would like to speak?

MR. VAN NOPPIN: I am from the Armory Rival Company. I wanted to introduce Victor to say a couple of things and then add after he speaks.

MR. BARROWS: My name is Victor Barrows and I am the urban development engineer for the Economic Development Corporation. I am obviously in support of the Rising Mills project and support the request for a tax stabilization. I have been working for the Economic Development Corporation now for 8 years and I have a unique understanding that the economic success of our state depends on urban development. If we are going to grow business we need to find locations for business to grow in our communities. One of the biggest challenges that we have had over the past several years is really finding suitable locations within our urban community for business to grow. Revitalizing our infrastructure commercial and industrial spaces for small business in our state. Bill had mentioned that we have one business in Pawtucket and we have been working with this company for several months now trying to find a liable location for them, they were thinking about moving out of state. If it wasn't for this project 150 jobs would be moving out of state. I think more projects like this need to be supported within all of our urban communities because again we have, myself I deal with business first hand. I get calls every week for businesses within our state looking to grow and businesses outside of the state looking to grow, but specifically looking for location with an urban community. There are just not enough locations. We have old mill buildings, we have old infrastructure that requires business to come in and invest a lot of money to retrofit and if we have a private developer willing to come in and do the leg work I think this is a perfect example of a private public partnership. We need to support and the State of Economic Development firmly supports the Rising Mills request.

CHAIRMAN JACKSON: Thank you.

MR. VAN NOPPIN: We are here before you with a project that is only possible because of the work that the legislature, the Council and administration have done to put in place incentives to get these kinds of projects done. A big mill project would not be happening without these kinds of incentives. This project in particular has been submitted under an Ordinance that is being reviewed right now by the city the Administration, Planning department, the Council to look at it and maybe we don't like some of the stabilizations that were granted in the past they don't necessarily meet the goals and requirements that one would think of when you subsidize a development with the tax stabilization. This one is almost like a poster child for the Ordinance that was past. It is a historic preservation significant mill building. The majority of the units are affordable on a city wide standard. You have heard all these reasons but this is sort of the poster child for that. What in addition we spend a lot of time talking to Council Members, to the administration, neighbors about things that are really looked for in the stabilization. We have ended up adding well the Ordinances in it that MBE requirements and the affordability requirements that are sought of anticipating where the legislation is going we are trying to anticipate that and we have done more than the Ordinance requires today.

CHAIRMAN JACKSON: John do you want to go over the schedule please.

MR. GELATI: I would like to say for the record that I entered into the record a revised schedule and I will give a copy to clerk as well as the copies that the Councilmen have. The project falls under the Code of Ordinance 21-170-1 which is known as the mill stabilization program. It basically set forth and the city takes an assessment from December 31, 2000 and the tax rate from 2001 and basically freezes that for 10 years. There is no discounting involved in it, effectively it means that taxes are frozen and the improvements final project are not taken into consideration of the evaluation until the end of the 10 year period.

September 9, 2003

-18-

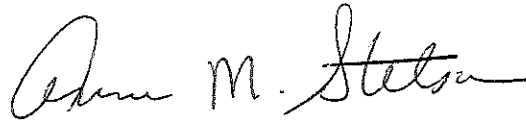
CHAIRMAN JACKSON: Any questions for John? Any other questions or comments? The next thing to do is schedule a Public Hearing.

On motion of Councilman Luna, seconded by Councilman Mancini it is voted to schedule a Public Hearing regarding the foregoing Ordinance.

CHAIRMAN: All in favor.

Motion carries.

On motion of Councilman Luna, seconded by Councilman Mancini it is voted to adjourn the meeting at 7:05 o'clock p.m.



SECOND DEPUTY CITY CLERK



ASSISTANT CLERK