

THE CITY OF WARWICK
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 74
TAXATION

ARTICLE VII.

TAX STABILIZATION FOR WARWICK INTERMODAL AND
HISTORIC DISTRICTS

No. O-16-26 Date 10/19/16

Approved..... *[Signature]* Mayor

Be it ordained by the City of Warwick:

Section I. Chapter 74 of the Code of Ordinances of the City of Warwick is hereby amended to add the following:

Sec. 74-147. Declaration of purpose and findings.

- (a) The City Council of the City of Warwick has the authority, pursuant to the relevant provisions of 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) The City Council of the City of Warwick has determined that Warwick Intermodal District is a priority economic development opportunity for Warwick in that the presence of intermodal transportation in the district presents an opportunity for high-value, high-quality, mixed-use growth.
- (c) The City Council of the City of Warwick has determined that in order to increase the pace of economic development and redevelopment in the Warwick Intermodal District and thereby increase the City's tax base, it is vital that the City provide property developers, entrepreneurs and investors with a predictable tax phase-in plan that will encourage investment in the Warwick Intermodal District. The City Council of the City of Warwick finds and declares further that it is 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. Accordingly, the City Council for the City of Warwick finds that granting the stabilization provided for in this Article will inure to the benefit of the City by reason of but not limited to the following:
 1. Increasing the willingness of residential, commercial, hospitality and mixed-use developers to locate in the Warwick Intermodal District;
 2. Increasing the willingness of business dependent and business efficient facilities to locate and expand with an increase in employment or the willingness of commercial, mixed-use and hospitality business development to locate, retain or expand its facility in Warwick and not substantially reduce its work force in Warwick:

- 1 3. Resulting in improvement of the physical and infrastructure assets of a key
2 intermodal area in Warwick which will result in a long-term economic benefit to
3 Warwick: and
4
5 4. Increasing the willingness of mixed-use commercial, hospitality and residential
6 developers and property owners to construct new or to replace, reconstruct,
7 convert, expand, retain or remodel existing buildings, facilities, with modern
8 buildings, facilities, fixtures, equipment resulting in residential housing,
9 hospitality and/or mixed use commercial building investment in Warwick's
10 Intermodal District.

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12 (d) The City Council of the City of Warwick in adopting the City of Warwick
13 Comprehensive Plan 2013-2033 and in enacting a Historic Overlay Zoning District in the
14 City of Warwick Code of Ordinances, Appendix A, Zoning, as amended, has determined
15 that the redevelopment of certain existing structures within the City of Warwick's
16 Historic Districts also satisfy the purposes and qualifies for the findings set forth above.

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18 **Sec. 74-148. Definitions.**

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20 As used in this article, unless the context clearly indicates otherwise, the following words shall
21 have the following meanings:

- 22
23 (a) "Applicant" means the property owner of an eligible property and eligible project who
24 initiates the property tax stabilization application process.
25
26 (b) "Development Project" means rehabilitation of an existing structure or construction of a
27 new building.
28
29 (c) "Property" means real and personal property which has undergone environmental
30 remediation, is historically preserved, or is used for affordable housing, manufacturing,
31 commercial, or residential purposes. "Property used for commercial purposes" means any
32 building or structures used essentially for offices or commercial enterprises.
33 (d) "Warwick Historic District" means an existing building and/or property entirely or
34 partially located within a Historic Overlay Zoning District, as further identified in the
35 Historic and Cultural Resources Element of the City of Warwick Comprehensive Plan
36 2013-2033 and as codified in Sections 302.6 and 311 of the Warwick Code of Ordinances
37 Appendix A, Zoning, as amended.
38
39 (e) "Warwick Intermodal District" means the zoning ordinance district established pursuant
40 to the relevant provisions of the Warwick Code of Ordinances. Appendix A, Zoning,
41 Section 301.11 A, as amended. See map attached hereto and incorporated herein as
42 Exhibit 1.
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45 **Sec. 74-149. Eligibility.**

- 46
47 (a) To be eligible for a stabilization agreement under this Article, the Property to be
48 stabilized must be part of a Development Project that meets the following criteria:
49
50 1. The Development Project must be located entirely within the Warwick Intermodal
51 District, as set forth in Sec. 74-148 (c), as amended, herein or located entirely or
52 partially within the Warwick Historic District as set forth in Section 74-148.
53
54 2. The Development Project must have a project cost of construction of not less than
55 five million dollars (\$5,000,000).
56
57 3. The Development Project must be compliant with the City Centre Master Plan, as
58 amended, and Section 507 of the Warwick Zoning Ordinance entitled "Warwick
59 Station Development District" (inclusive), as well as the Table 1 Use Regulations
60 "intermodal" zoning for uses allowed within the district along with any provisions of
61 the Zoning Ordinance regulating the use of the Project.

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2 4. If the Development Project is eligible because it is located within the Warwick
3 Historic District, the Development Project must also satisfy at least two of the three
4 eligibility criteria: (i) the redevelopment of the existing structure(s) within the
5 Warwick Historic District shall also be set forth as a goal of the City of Warwick in
6 the City of Warwick Comprehensive Plan 2013-2033; (ii) the redevelopment involves
7 the preservation of a significant contributing structure within the Warwick Historic
8 District; and (iii) the Development Project has secured tax credits under the Rebuild
9 Rhode Island Tax Credit Programs defined herein and/or the Rhode Island Historic
10 Tax Credit Act, R.I. Gen. Laws §44-3.6-1 et. seq.

- 11
12 (b) Construction of a Development Project receiving a tax stabilization agreement must begin
13 construction within twelve (12) months and must be completed within thirty-six (36)
14 months of the effective date of the stabilization agreement.
15
16 (c) No Development Project which includes, but is not limited to, a proposed use, business,
17 or commercial operation relocating a facility from a city or town within the state of
18 Rhode Island to Warwick shall be eligible for a tax stabilization agreement under this
19 Article. Additionally, there shall be a committee to review compliance with this anti-
20 cannibalization clause comprised of the Director of City Planning, the City Tax Assessor
21 and the City Council Finance Chair or his or her designee.
22
23 (d) Any Applicant for tax stabilization pursuant to this Article must be current on all tax, user
24 fees and any other payments owed to the City and otherwise in good standing to operate
25 as a business in the State of Rhode Island as of the time of application for a tax
26 stabilization agreement.
27
28 (e) This tax stabilization program shall end on December 15, 2027. No application for a tax
29 stabilization program shall be accepted after that date.

30
31 **Sec. 74-150. Stabilization schedule.**
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- 33 (a) For the first five (5) years of the tax stabilization the tax assessment on the Property that
34 is the subject of an Application for a tax stabilization agreement pursuant to the relevant
35 terms of this Article shall be the "Base Tax," which shall have been determined prior to
36 the commencement of the stabilization period by the city tax assessor in the following
37 manner:
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39 1. If the site is subject to property taxes prior to the commencement of the
40 stabilization period the assessed valuation at the time of application shall be the
41 basis to determine the tax amount to constitute the "Base Tax" for the purpose of
42 the tax stabilization agreement.
43
44 2. If the site is not subject to property taxes prior to the commencement of the
45 stabilization period, the assessor shall determine the property valuation at the site,
46 and the "Base Tax" shall be based on that valuation.
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48 (b) As consideration for receiving the benefits provided for in a tax stabilization agreement,
49 the Applicant, any successor-in-interest, any Owner/Lessor and/or Lessee/Tenant of the
50 Property waives and releases any and all rights to appeal or otherwise challenge the Base
51 Tax assessed value during the five year (5) Base Tax period. This waiver shall terminate
52 upon expiration of the five (5) year Base Tax period. All rights to appeal or otherwise
53 challenge a tax assessment pursuant to the relevant provisions of the General Laws shall
54 apply upon expiration of the Base Tax period under any tax stabilization agreement.
55
56 (c) Upon issuance of a certificate of occupancy for the Project, the tax assessor shall assess
57 the Project, and the Project shall thereafter be reassessed according to the City's regular
58 revaluation cycle.
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60 (d) Property eligible for a tax stabilization under this Article shall be taxed pursuant to the
61 following schedule:

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Year	Tax Abatement
1	Base Tax
2	Base Tax
3	Base Tax
4	Base Tax
5	Base Tax
6	90% of assessed value exempt from tax
7	80% of assessed value exempt from tax
8	70% of assessed value exempt from tax
9	60% of assessed value exempt from tax
10	50% of assessed value exempt from tax
11	40% of assessed value exempt from tax
12	30% of assessed value exempt from tax
13	20% of assessed value exempt from tax
14	10% of assessed value exempt from tax
15	0% of assessed value exempt from tax

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In year 15 and thereafter, the Development Project will be taxed at the then-assessed value and be taxed at the then-normal rate applied by the City.

Sec. 74-151. Application procedure for stabilization.

- (a) The application procedure shall proceed as follows
 - 1. An Applicant shall apply to the City's tax assessor's department for a tax stabilization agreement under this Article prior to obtaining a building permit. The application shall be on a form prescribed by the City's tax assessor's department and shall include:
 - i. the program of building, alterations and/or improvements to be made;
 - ii. a certification from the Applicant that the project meets the eligibility requirements set forth in Section 74-149(a)(2) herein.
 - iii. a non-refundable filing fee of Three Thousand Five Hundred Dollars and Zero Cents (\$3,500.00) which shall be used by the tax assessor to retain a peer review to validate whether the Development Project meets the investment costs set forth in this Article to qualify for eligibility.
- (b) Upon receipt of an Application, the tax assessor's department shall forward the application to the Warwick planning department for review. Within twenty (20) days of the filing of the Application with the tax assessors department, the planning department shall determine whether the Development Project meets the minimum requirements set forth in Section 74-149 herein.
- (c) Within thirty (30) days of the filing of the Application for a tax stabilization agreement with the tax assessor's department, the tax assessor's department shall either deem the Application complete or provide a written response to the Applicant detailing any deficiencies in the application.

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- (d) Once the Application is deemed complete the tax assessor's department shall prepare a tax stabilization agreement with the Applicant pursuant to and upon the terms set forth in this Article. A fully executed tax stabilization agreement with the City is required for a Development Project to receive the tax stabilization provisions provided for under this Article.
- (e) The tax assessor's department together with the planning department, shall develop standardized forms and additional procedures consistent with this Article, as they deem necessary and proper to effectuate the terms and provisions of this Article.
- (f) Nothing shall prohibit an Applicant having submitted an Application deemed incomplete or ineligible from subsequently re-applying for a tax stabilization agreement under this Article.

Sec. 74-152. Miscellany.

- (a) The benefits of a tax stabilization agreement obtained pursuant to this Article shall be transferable to Property owners and tenants, but the duration of the stabilization period shall not be extended. The City Council of the City of Warwick, may upon application made by an Applicant on a form provided by the Warwick City Clerk's office, provide an extension and/or revision to a tax stabilization agreement at their sole and absolute discretion.
- (b) The receipt of a tax stabilization agreement under this Article shall not deprive any person of the right to appeal the valuation or calculation of the taxes assessed from time to time, except as provided for in 74-150(b).
- (c) Nothing herein shall prohibit the City Council from extending a tax stabilization agreement on different terms to a Development Project that would otherwise qualify for stabilization under this Article.
- (d) Annually, the tax assessor shall have performed a peer review audit to validate that all performance criteria for the Development Project to remain eligible for the tax stabilization program. An annual audit filing fee shall be established by the tax assessor to reflect the actual cost, without any mark-up or contingency, of the required annual peer review compliance audit.
- (e) Nonpayment or late-payment of taxes due under this Article shall render the terms of any tax stabilization agreement null and void if such non-payment or late payment is not cured within sixty (60) days of any such delinquency; provided however, that the taxpayer may petition the City Council to keep the tax stabilization agreement in place one time during the term of the agreement. In addition, all authority granted to the City in the General Laws to sell property at tax sale shall remain in full force and effect during the period of any tax stabilization agreement.
- (f) Upon execution of a tax stabilization agreement, the tax assessor shall notify and provide a copy of the agreement to the City Council.

Sec. 74-152. 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.

Sec. 74-153 — 74-160. Reserved.

Section II. This Ordinance shall take effect upon passage and publication as prescribed by law.

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SPONSORED BY: COUNCIL PRESIDENT TRAVIS
COUNCILMAN COLANTUONO
COUNCILMAN CHADRONET
COUNCIL WOMAN VELLA WILKINSON
COUNCILMAN SOLOMON
COUNCILMAN LADOUCEUR
COUNCIL WOMAN USLER
COUNCILMAN GALLUCCI
COUNCILMANMEROLLA

COMMITTEE: ORDINANCE