

THE CITY OF WARWICK  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 74 TAXATION

No..... Date.....

Approved.....Mayor

AN ORDINANCE AMENDING THE CITY OF WARWICK CODE OF ORDINANCES  
CHAPTER 74 TAXATION – TAX STABILIZATION FOR  
WARWICK INTERMODAL DISTRICT

WHEREAS, the State of Rhode Island and the City of Warwick have experienced an unprecedented economic recession, the likes of which have not been experienced for several social and family generations; and

WHEREAS, the Warwick Intermodal District was created to spur economic development in Warwick to expand the City’s total assessed valuation, to reduce property tax rates, to create new jobs and to assist local businesses from the growth of this District; and

WHEREAS, the State recently adopted statutory programs to encourage and assist economic development projects; one known as the Rebuild Rhode Island Tax Credit program, codified at the R.I. General Laws 42-64.20-et seq.; another known as the Rhode Island Tax Stabilization Incentive, codified at the R.I. General Laws 42-64.22-et seq.; and a third allowing for local tax stabilization agreements, codified at R.I. General Laws 44-3-9; and

WHEREAS, Warwick desires to coordinate with the Rebuild Rhode Island Tax Credit and Tax Stabilization programs and take further action to assist investors and developers to participate to the maximum extent possible in government sponsored economic development incentives to spur investment, job creation, redevelopment and additional economic activities in the Intermodal District; and

WHEREAS, a property tax stabilization program designed as a mechanism to jump start economic investment and jobs, development life and vitality to this important mixed use center of growth in the City is determined to be warranted and justified in the Intermodal District; and

WHEREAS, a property tax stabilization program is complementary, supportive and in certain instances required to for investors to participate in the Rebuild Rhode Island Tax Credit and Tax Stabilization programs and to help bridge the gap in financing projects associated with

1 the additional costs directed to assemble parcels usually with separate owners, raze blighted or  
2 outmoded structures and in some cases perform costly environmental remediation - added costs  
3 and complexity associated with these actions create significant expenditures and creates a gap in  
4 financing developments within Intermodal District and creates a cost disadvantage for  
5 development within the Intermodal District as compared to other areas in the City - which is the  
6 basis to justify the following proposed tax stabilization program in the Warwick Intermodal  
7 District.

8  
9 **NOW, THEREFORE, be it ordained by the City Council of the City of Warwick:**

10  
11 **Section 1.** Chapter 74, of the Code of Ordinances for the City of Warwick is hereby amended to  
12 add Article VII, Section 147 – *et seq*, “Tax Stabilization for Warwick Intermodal District” as  
13 follows:

14 **ARTICLE VII. TAX STABILIZATION FOR WARWICK INTERMODAL DISTRICT**

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

- 16 (a) The City Council of the City of Warwick has the authority, pursuant to the relevant  
17 provisions of Section 44-3-9 of the General Laws of the State of Rhode Island, as  
18 amended, to exempt from tax payment, in whole or in part, real and personal property  
19 which has undergone environmental remediation, is historically preserved, or is used for  
20 affordable housing, manufacturing, commercial or residential purposes, or to determine a  
21 stabilized amount of taxes to be paid on account of the property, notwithstanding the  
22 valuation of the property or the rate of tax.
- 23
- 24 (b) The City Council of the City of Warwick has determined that Warwick Intermodal  
25 District is a priority economic development opportunity for Warwick in that the presence  
26 of intermodal transportation in the district presents an opportunity for high-value, high-  
27 quality, mixed-use growth.
- 28
- 29 (c) The City Council of the City of Warwick has determined that in order to increase the  
30 pace of economic development and redevelopment in the Warwick Intermodal District,  
31 and thereby increase the City’s tax base, it is vital that the City provide property  
32 developers, entrepreneurs and investors with a predictable tax phase-in plan that will  
33 encourage investment in the Warwick Intermodal District. The City Council of the City  
34 of Warwick finds and declares further that it is in the public interest to develop a set of  
35 clear criteria for eligibility for tax stabilization, as well as a defined long-term plan to  
36 bring a project to full taxation. Accordingly, the City Council for the City of Warwick  
37 finds that granting the stabilization provided for in this Article will inure to the benefit of  
38 the City by reason of, but not limited to, the following:
- 39
- 40 1. Increasing the willingness of residential, commercial, hospitality and mixed-use  
41 developers to locate in the Warwick Intermodal District;
  - 42
  - 43 2. Increasing the willingness of business dependent and business efficient facilities  
44 to locate and expand with an increase in employment or the willingness of

1 commercial, mixed-use and hospitality business development to locate, retain or  
2 expand its facility in Warwick and not substantially reduce its work force in  
3 Warwick;

4  
5 3. Resulting in improvement of the physical and infrastructure assets of a key  
6 intermodal area in Warwick which will result in a long-term economic benefit to  
7 Warwick; and

8  
9 4. Increasing the willingness of mixed-use commercial, hospitality and residential  
10 developers and property owners to construct new or to replace, reconstruct,  
11 convert, expand, retain or remodel existing buildings, facilities, with modern  
12 buildings, facilities, fixtures, equipment resulting in residential housing,  
13 hospitality and/or mixed use commercial building investment in Warwick's  
14 Intermodal District.

15 **Sec. 74-148. Definitions.**

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

18 (a) "Applicant" means the property owner of an eligible property and eligible project who  
19 initiates the property tax stabilization application process.

20  
21 (b) "Development Project" means rehabilitation of an existing structure or construction of a  
22 new building.

23  
24 (c) "Warwick Intermodal District" means the zoning ordinance district established pursuant  
25 to the relevant provisions of the Warwick Code of Ordinances, Appendix A, Zoning,  
26 Section 301.11 A, as amended. See map attached hereto and incorporated herein as  
27 Exhibit 1.

28  
29 (d) "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  
32 any building or structures used essentially for offices or commercial enterprises.

33 **Sec. 74-149. Eligibility.**

34 (a) To be eligible for a stabilization agreement under this Article, the Property to be  
35 stabilized must be part of a Development Project that meets the following criteria:

36  
37 1. The Development Project must located entirely within the Warwick Intermodal  
38 District, as set forth in Sec. 74-148 (c), as amended, herein.

39  
40 2. The Development Project must have a project cost of construction of not less than  
41 five million dollars (\$5,000,000).

1           3. The Project must be compliant with the City Centre Master Plan, as amended, and  
2 Section 507 of the Warwick Zoning Ordinance entitled “Warwick Station  
3 Development District” (inclusive), as well as the Table 1 Use Regulations  
4 “intermodal” zoning for uses allowed within the district along with any provisions  
5 of the Zoning Ordinance regulating the use of the Project.  
6

7 (b) Construction of a Development Project receiving a tax stabilization agreement must  
8 begin construction within twelve (12) months and must be completed within thirty-six  
9 (36) months of the effective date of the stabilization agreement.  
10

11 (c) No Development Project which includes, but is not limited to, a proposed use, business,  
12 or commercial operation relocating a facility from a city or town within the state of  
13 Rhode Island to Warwick shall be eligible for a tax stabilization agreement under this  
14 Article.  
15

16 (d) Any Applicant for tax stabilization pursuant to this Article must be current on all tax, user  
17 fees and any other payments owed to the City and otherwise in good standing to operate  
18 as a business in the State of Rhode Island as of the time of application for a tax  
19 stabilization agreement.  
20

21 (e) This tax stabilization program shall end on December 15, 2021. No application for a tax  
22 stabilization program shall be accepted after that date.

23 **Sec. 74-150. Stabilization schedule.**

24 (a) For the first five (5) years of the tax stabilization period, the tax assessment on the  
25 Property that is the subject of an Application for a tax stabilization agreement pursuant to  
26 the relevant terms of this Article shall be the “Base Tax,” which shall have been  
27 determined prior to the commencement of the stabilization period by the city tax assessor  
28 in the following manner:  
29

30           1. If the site is subject to property taxes prior to the commencement of the  
31 stabilization period the assessed valuation at the time of application shall be the  
32 basis to determine the tax amount to constitute the “Base Tax” for the purpose of  
33 the tax stabilization agreement.  
34

35           2. If the site is not subject to property taxes prior to the commencement of the  
36 stabilization period, the assessor shall determine the property valuation at the site,  
37 and the “Base Tax” shall be based on that valuation.  
38

39 (b) As consideration for receiving the benefits provided for in a tax stabilization agreement,  
40 the Applicant, any successor-in-interest, any Owner/Lessor and/or Lessee/Tenant of the  
41 Property waives and releases any and all rights to appeal or otherwise challenge the Base  
42 Tax assessed value during the five year (5) Base Tax period. This waiver shall terminate  
43 upon expiration of the five (5) year Base Tax period. All rights to appeal or otherwise

1 challenge a tax assessment pursuant to the relevant provisions of the General Laws shall  
2 apply upon expiration of the Base Tax period under any tax stabilization agreement.

3  
4 (c) Upon issuance of a certificate of occupancy for the Project, the tax assessor shall assess  
5 the Project, and the Project shall thereafter be reassessed according to the City's regular  
6 reevaluation cycle.

7  
8 (d) Property eligible for a tax stabilization under this Article shall be taxed pursuant to the  
9 following schedule:

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

10

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

3 **Sec. 74-151. Application procedure for stabilization.**

4 (a) The application procedure shall proceed as follows

5  
6 1) An Applicant shall apply to the City's tax assessor's department for a tax  
7 stabilization agreement under this Article prior to obtaining a building permit. The  
8 application shall be on a form prescribed by the City's tax assessor's department  
9 and shall include:

10  
11 i. the program of building, alterations and/or improvements to be made;

12  
13 ii. a certification from the Applicant that the project meets the eligibility  
14 requirements set forth in Section 74-149(a)(2) herein.

15  
16 iii. a non-refundable filing fee of Three Thousand Five Hundred Dollars and  
17 Zero Cents (\$3,500.00) which shall be used by the tax assessor to retain a  
18 peer review to validate whether the Development Project meets the  
19 investment costs set forth in this Article to qualify for eligibility.

20  
21 (b) Upon receipt of an Application, the tax assessor's department shall forward the  
22 application to the Warwick planning department for review. Within twenty (20) days of  
23 the filing of the Application with the tax assessors department, the planning department  
24 shall determine whether the Development Project meets the minimum requirements set  
25 forth in Section 74-149 herein

26  
27 (c) Within thirty (30) days of the filing of the Application for a tax stabilization agreement  
28 with the tax assessor's department, the tax assessor's department shall either deem the  
29 Application complete or provide a written response to the Applicant detailing any  
30 deficiencies in the application.

31  
32 (d) Once the Application is deemed complete, the tax assessor's department shall prepare a  
33 tax stabilization agreement with the Applicant pursuant to and upon the terms set forth  
34 in this Article. A fully executed tax stabilization agreement with the City is required for  
35 a Development Project to receive the tax stabilization provisions provided for under this  
36 Article.

37  
38 (e) The tax assessor's department, together with the planning department, shall develop  
39 standardized forms and additional procedures consistent with this Article, as they deem  
40 necessary and proper to effectuate the terms and provisions of this Article.

41  
42 (f) Nothing shall prohibit an Applicant having submitted an Application deemed  
43 incomplete or ineligible from subsequently re-applying for a tax stabilization agreement  
44 under this Article.

1 **Sec. 74-152. Miscellany.**

- 2 (a) The benefits of a tax stabilization agreement obtained pursuant to this Article shall be  
3 transferable to Property owners and tenants, but the duration of the stabilization period  
4 shall not be extended. The City Council of the City of Warwick, may upon application  
5 made by an Applicant on a form provided by the Warwick City Clerk's office, provide  
6 an extension and/or revision to a tax stabilization agreement at their sole and absolute  
7 discretion.
- 8
- 9 (b) The receipt of a tax stabilization agreement under this Article shall not deprive any  
10 person of the right to appeal the valuation or calculation of the taxes assessed from time  
11 to time, except as provided for in 74-150(b).
- 12
- 13 (c) Nothing herein shall prohibit the City Council from extending a tax stabilization  
14 agreement on different terms to a Development Project that would otherwise qualify for  
15 stabilization under this Article.
- 16
- 17 (d) Annually, the tax assessor shall have performed a peer review audit to validate that all  
18 performance criteria for the Development Project to remain eligible for the tax  
19 stabilization program. An annual audit filing fee shall be established by the tax assessor  
20 to reflect the actual cost, without any mark-up or contingency, of the required annual  
21 peer review compliance audit.
- 22
- 23 (e) Nonpayment or late-payment of taxes due under this Article shall render the terms of  
24 any tax stabilization agreement null and void if such non-payment or late payment is  
25 not cured within sixty (60) days of any such delinquency. In addition, all authority  
26 granted to the City in the General Laws to sell property at tax sale shall remain in full  
27 force and effect during the period of any tax stabilization agreement.
- 28
- 29 (f) Upon execution of a tax stabilization agreement, the tax assessor shall notify and  
30 provide a copy of the agreement to the City Council.

31 **Sec. 74-152. Severability.**

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

35  
36 **Sec. 74-153 – 74-160. Reserved.**

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38  
39 **Section II.** The City Clerk of the City of Warwick is hereby authorized and directed to cause  
40 said changes to be made to the Warwick Code of Ordinances.

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42 **Section III.** 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,  
COUNCILWOMAN VELLA-WILKINSON,  
COUNCILMAN SOLOMON,  
COUNCILMAN LADOUCEUR  
COUNCILWOMAN USLER,  
COUNCILMAN GALLUCCI, and  
COUNCILMAN MEROLLA  
ON BEHALF OF  
MAYOR AVEDISIAN  
  
COMMITTEE: ORDINANCE