

1 THE CITY OF CRANSTON

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3  
4 **ORDINANCE OF THE CITY COUNCIL**

5  
6 **IN AMENDMENT OF TITLE 3 OF THE CODE OF THE CITY OF CRANSTON, 2005,**  
7 **ENTITLED “REVENUE AND FINANCE”, ADDING CHAPTER 3.111 – TEN (10) YEAR**  
8 **TAX STABILIZATION FOR PROPERTY LOCATED AT**  
9 **320 SCITUATE AVENUE**  
10 **(SCITUATE AVENUE TAX STABILIZATION)**  
11

12 **Ordinance No. 2023-**

13  
14 *Passed:*

15 \_\_\_\_\_  
16 **Jessica Marino, Council President**

17  
18 *Approved:*

19 \_\_\_\_\_  
20 **Kenneth J. Hopkins, Mayor**

21  
22 *It is ordained by the City of Cranston City Council as follows:*

23  
24 **Section 1.** Carpiionato Properties, Inc. is the owner of certain real property located in the City at  
25 320 Scituate Avenue, Assessor’s Plat 20-2, Lot 2112; and Alfred Carpiionato Estate is the owner  
26 of certain real property located in the City at Scituate Avenue, Assessor’s Plat 20-2, Lot 2116;  
27 and West Bay LLC is the owner of certain real properties located in the City at Scituate Avenue,  
28 Assessor’s Plat 20-4, Lot 2117; Plat 20-4, Lot 2128; and Plat 12-6, Lot 3108; and the owners of  
29 the Scituate Avenue properties above (collectively, the “Property”) are subsidiaries and/or  
30 affiliates falling under the common ownership of Carpiionato Group LLC (collectively, the  
31 “Property Owner”).

32  
33 The Project Owner has proposed constructing multi-family residential buildings, providing  
34 residential units with amenities situated on Scituate Avenue known as “Champlin Hills” that will  
35 eventually be leased and utilized by individuals in Cranston, Rhode Island as Phase One.

36  
37 The Project Owner has also proposed constructing multi-family residential buildings, providing  
38 additional residential units, a percentage of which will be affordable, in later phases situated on  
39 Scituate Avenue known as “Champlin Heights” that will eventually be leased by individuals in  
40 Cranston, Rhode Island as Phase Two (collectively, the “Project”).

41  
42 The Project will result in an increase in the tax base of the City of Cranston, an increase in  
43 expenditures by residents in the City of Cranston and will provide affordable housing units in the  
44 City of Cranston. The City Council of Cranston, after due consideration, has determined that it  
45 would benefit the City to encourage and assist the Owner to use and develop the Property.

46  
47 In order to encourage and facilitate the Owner’s development and use of the Property for the  
48 benefit of the City, the City seeks to establish a stabilized amount of real property taxes to be  
49 paid on account of the Property for an operational period of ten (10) years, notwithstanding the  
50 other applicable valuation or rate of taxation for such property. The City and Owner both agree  
51 that such a stabilized amount of taxes will inure to the benefit of the City by encouraging and  
52 facilitating the development and continued use of the Property by the Owner within Cranston.

53  
54 Under Article 13, Section 5 of the Rhode Island Constitution, the General Assembly retains  
55 exclusive power over matters relating to municipal taxation. Notwithstanding, and pursuant to  
56 Rhode Island General Laws (R.I.G.L.) § 44-3-9, the General Assembly has authorized the City of  
57 Cranston, acting through its City Council and subject to certain enumerated conditions, to  
58 exempt or determine a stabilized amount of taxes to be paid on account of real and personal  
59 property for a period not to exceed twenty (20) years.

60  
61 In consideration of the mutual agreements and promises set forth herein and other good and  
62 lawful consideration the receipt of which is hereby acknowledged, the parties agree as follows:

63  
64 SECTION 1. DEFINITIONS.

65  
66 “Property” shall mean certain real property together with any and all buildings, structures,  
67 and/or improvements now or in the future located at Scituate Avenue in the City of Cranston at  
68 Assessor’s Plat 20-2, Lots 2112, 2116; Plat 20-4, Lot 2117; Plat 20-4, Lot 2128; and Plat 12-6,  
69 Lot 3108.

70  
71 “Property Owner” shall mean the Project Owner or any other respective entities with the  
72 legal or equitable right and/or interest in and/or to the Property, including any and all successors  
73 and assigns.

74  
75  
76 SECTION 2. TAX STABILIZATION.

77  
78 Section 2.1. Grant. The City, in accordance with R.I.G.L. § 44-3-9, does hereby grant a ten (10)  
79 year tax stabilization in favor of the Property Owner with respect to the Property.

80  
81 Section 2.2. Term. The tax stabilization term shall be ten (10) years and shall be the period  
82 commencing on \_\_\_\_\_, 2024 and terminating on \_\_\_\_\_, 2034 (Tax Years 2024-  
83 2034).

84  
85 Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has  
86 determined the stabilized amount of taxes to be paid by the Property Owner with respect to the  
87 Property, notwithstanding the valuation of the Property or the then-current rate of tax as follows:  
88 For tax year 2024, the Property Owner shall make a tax payment equal to the taxes due and  
89 owing for the December 31, 2023 assessment value multiplied by the 2023 Tax Year tax rate.  
90 The Tax Assessor shall determine an assessment value of the Property of \$ \_\_\_\_\_  
91 that will serve as the base assessment for the Term of the Agreement (“Base Assessment”). For

92 each tax year thereafter, the Property Owner will pay a percentage of the Base Assessment value  
 93 of the Property multiplied by the then-current rate. When Phase Two (Champlin Heights) of the  
 94 Project is completed, the Tax Assessor shall determine an assessment value of the Property of  
 95 \$ \_\_\_\_\_ that will serve as the updated base assessment for the remaining Term of the  
 96 Agreement (“Updated Base Assessment”), and the Updated Base Assessment will replace the  
 97 Base Assessment in the calculation of tax owed. See “Tax Stabilization Plan” incorporated herein  
 98 as if fully reproduced and attached hereto and as Exhibit A.

99  
 100 Further, if any of the following improvements are present at the Property during the Term, there  
 101 shall be no tax assessment (either real estate or tangible) or tax charged, with said improvements  
 102 to be exempt:

- 103 1. Energy storage batteries;
- 104 2. Photovoltaic panels (either freestanding or on parking canopies);
- 105 3. Parking canopies whose purpose is supporting photovoltaic panels; and
- 106 4. Windmills.

107  
 108 Section 2.4. Payment Deadlines. During the tax stabilization term as defined in Section 2.2 above  
 109 and in accordance with the tax stabilization plan outlined in Section 2.3 above, stabilized tax  
 110 payments shall be made in either a lump sum during the first quarter of the applicable tax year or  
 111 in equal quarterly installments at the discretion of the Property Owner. If the Property Owner  
 112 elects to make quarterly installments, each quarterly installment shall be due on the same date  
 113 that quarterly taxes are due for all other taxpayers in the City of Cranston.

114  
 115 Section 2.5. Obligation of Property Owner to Make Payment. During the tax stabilization term as  
 116 defined in Section 2.2 above and in accordance with the tax stabilization plan outlined in Section  
 117 2.3 above, stabilized tax payments shall be an obligation of the Property Owner. It is understood  
 118 that the stabilized tax payments made hereunder are deemed by the City of Cranston to be tax  
 119 payments, and the Property Owner shall be entitled to all of the rights and privileges of a  
 120 taxpayer in the City, including, without limitation, the right to challenge and appeal any  
 121 assessment and/or reassessment.

122  
 123 Section 2.6. Recording of Agreement, Running with Land. Upon the execution of this  
 124 Agreement, the Property Owner shall cause a Notice of this Agreement to be recorded at its  
 125 expense in the City’s official public land evidence records.

126  
 127 Section 2.7. Satisfaction of Obligations. The City of Cranston agrees that so long as the  
 128 stabilized tax payments are made by the Project Owner in accordance with the terms of this  
 129 ordinance, the City of Cranston shall, during the term of this agreement, accept said payments in  
 130 full satisfaction of the obligations of the Project Owner as to the payment of any and all taxes and  
 131 property assessments to the City of Cranston which would otherwise be levied upon or with  
 132 respect to the Project Property, including future customary repairs and customary renovations of  
 133 the Property which may now exist or which may hereafter be placed or erected thereon or located  
 134 thereat or used therein, but excluding material renovations or improvements beyond that  
 135 contemplated in the Project.

138 SECTION 3. PERFORMANCE OBLIGATIONS.

139 \_\_\_\_\_  
140 Section 3.1. Permits and Certificates of Occupancy.

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

144 \_\_\_\_\_  
145 SECTION 4. TRANSFER OF THE PROPERTY.

146 \_\_\_\_\_  
147 Section 4.1. Transfer Generally. Stabilized tax payments shall be an obligation of the Property  
148 Owner during the tax stabilization term as defined in Section 2.2 above and in accordance with  
149 the tax stabilization plan outlined in Section 2.3 above. Additionally, in accordance with Section  
150 2.6, the burdens and benefits of this Agreement will run with the land, and as for payment of  
151 taxes shall run in favor of the City regardless of any transfer of ownership. The Property Owner  
152 further agrees, during the tax stabilization term as defined in Section 2.2 above, to provide  
153 written notice to the City of Cranston within thirty (30) days of any transfer of title to the real  
154 estate.

155 \_\_\_\_\_  
156 Section 4.2. Transfer to Tax Exempt Entities. During the tax stabilization term as defined in  
157 Section 2.2 above, in the event that one of the respective entities comprising the Property Owner  
158 transfers one of the lots comprising the Property to a tax exempt entity, this Agreement shall be  
159 void ab initio as it pertains to the respective lot being transferred and the owner thereof and any  
160 entity holding the legal right or legal interest in that respective lot at the time of said transfer  
161 shall be liable for the full taxes due and owing from the Effective Date of this Agreement and  
162 forward.

163 \_\_\_\_\_  
164 \_\_\_\_\_  
165 SECTION 5. NOTICE.

166 \_\_\_\_\_  
167 Section 5.1. Agreed Upon Address for Purposes of Written Notice. All notices, requests,  
168 consents, approvals, and any other communication which may be or are required to be served or  
169 given (including changes of address for purposes of notice) shall be in writing and shall be sent  
170 registered or certified mail, or by nationally recognized overnight courier (such as Federal  
171 Express or UPS) and addressed to the following parties set forth below:

172 \_\_\_\_\_  
173 If to: City of Cranston  
174 Office of the City Clerk  
175 869 Park Avenue  
176 Cranston, RI 02910

177 \_\_\_\_\_  
178 If to: West Bay LLC  
179 Attn: Mr. Kelly M Coates  
180 1414 Atwood Avenue  
181 Johnston, RI 02919

182 \_\_\_\_\_  
183 Copy to: Moses Ryan Ltd.

184 40 Westminster Street, 9<sup>th</sup> Floor  
185 Providence, RI 02903

186  
187 If to: Carpiionato Properties Inc.  
188 Attn: Mr. Kelly M Coates  
189 1414 Atwood Avenue  
190 Johnston, RI 02919

191  
192 Copy to: Moses Ryan Ltd.  
193 40 Westminster Street, 9<sup>th</sup> Floor  
194 Providence, RI 02903

195  
196 If to: Alfred Carpiionato Estate  
197 Attn: Mr. Kelly M Coates  
198 1414 Atwood Avenue  
199 Johnston, RI 02919

200  
201 Copy to: Moses Ryan Ltd.  
202 40 Westminster Street, 9<sup>th</sup> Floor  
203 Providence, RI 02903

204  
205  
206 SECTION 6. MISCELLANEOUS TERMS.  
207

208 Section 6.1. Assignment. This Agreement shall inure to the benefit of and shall be binding upon  
209 the City and Owner and their respective successors and assigns. Owner may assign, convey,  
210 pledge or transfer all of its rights, interests and obligations arising under this Agreement to any  
211 entity that is a successor in interest to Owner with respect to the Property, or to any secured party  
212 in connection with financing Owner’s operations.

213  
214 Section 6.2. Severability. The sections of this Agreement are severable, and if any of its sections  
215 or subsections shall be held unenforceable by any court of competent jurisdiction, the decision of  
216 the court shall not affect or impair any of the remaining sections or subsections.

217  
218 Section 6.3. Applicable Law. This Agreement shall be construed under the laws of the State  
219 of Rhode Island.

220  
221 Section 6.4. Representations and Warranties. Owner and the City each represent and  
222 warrant that (i) it has the full right, power, and authority to enter into this Agreement and (ii) that  
223 it has received independent legal advice with respect to the advisability of entering into this  
224 Agreement. Property Owner and the City of Cranston agree that Property Owner retains the right  
225 to appeal the valuations of the Property or calculation of the taxes assessed from time to time.

226  
227 Section 6.5. Modifications Amendments and/or Extensions. This Agreement shall not be  
228 modified, amended, extended or altered in any way by oral representations made before or after

229 the execution of this Agreement. Any and all modifications, amendments, extensions or  
230 alterations must be in writing duly executed by all parties.

231  
232 Section 6.6. Entire Agreement. This Agreement and all attachments, addenda, and/or  
233 exhibits attached hereto shall represent the entire agreement between City and the Property  
234 Owner and may not be amended or modified except as expressed in this document. Any and all  
235 modifications, amendments, extensions or alterations must be in writing duly executed by all  
236 parties.

237  
238 Section 6.7. Fire or Acts of God. If any improvement or building upon the Property is  
239 damaged or destroyed by fire or any act of God including but not limited to fire, wind, flood, or  
240 earthquake, the assessment shall be reduced commensurate with the value lost to the Property  
241 due fire of act of God.

242  
243 Section 6.8. Effective Date. This Agreement shall take effect upon execution by all parties and  
244 the passage of this Ordinance by the Cranston City Council.

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246  
247 The Parties hereto, by their duly authorized representative, have executed this Agreement on this  
248 day of 2024.

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250 CITY OF CRANSTON, RI WEST BAY LLC

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252  
253 BY: BY:

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261  
262 ALFED CARPIONATO ESTATE CARPIONATO PROPERTIES INC.

263  
264  
265 BY: BY:

266  
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271  
272 **Section 2.** This ordinance shall take effect upon its final adoption and execution by all parties.

276 Positive Endorsement: Negative Endorsement: (Attach reasons)

277

278

279

280	_____	_____	_____	_____
	City Solicitor	Date	City Solicitor	Date

281

282

283 Sponsored by: Council President Marino

284

285 Referred to: Finance Committee on January 8, 2024

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**\*\*Updated Base Assessment to replace Base Assessment in the above calculations when Phase Two (Champlin Heights) is completed and for all the remaining years.\*\***

<b>Exhibit A</b>		
<b>Year</b>	<b>Percentage of Full Assessment Increases</b>	<b>Tax Payment Under Stabilization Agreement</b>
1	Construction	2023 Assessment * 2023 Commercial Tax Rate
2	10%	10% of Base Assessment * Year 2 Commercial Tax Rate
3	20%	20% of Base Assessment * Year 3 Commercial Tax Rate
4	30%	30% of Base Assessment * Year 4 Commercial Tax Rate
5	40%	40% of Base Assessment * Year 5 Commercial Tax Rate
6	50%	50% of Base Assessment * Year 6 Commercial Tax Rate
7	60%	60% of Base Assessment * Year 7 Commercial Tax Rate
8	70%	70% of Base Assessment * Year 8 Commercial Tax Rate
9	80%	80% of Base Assessment * Year 9 Commercial Tax Rate
10	90%	90% of Base Assessment * Year 10 Commercial Tax Rate
11	Full Taxation	Base Assessment * Year 11 Commercial Tax Rate

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