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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2021

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A N A C T

RELATING TO TOWNS AND CITIES -- CITY OF PAWTUCKET DOWNTOWN
REDEVELOPMENT PROJECT

Introduced By: Representatives Giraldo, McLaughlin, and Barros

Date Introduced: May 20, 2021

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 45-33.4-1 and 45-33.4-4 of the General Laws in Chapter 45-33.4
2 entitled "City of Pawtucket Downtown Redevelopment Project" are hereby amended to read as
3 follows:

4 **45-33.4-1. Definitions.**

5 For purposes of this chapter, the following terms shall have the meanings ascribed to them
6 herein:

7 (1) "Agency" means [either](#) the Pawtucket redevelopment agency [or the Central Falls](#)
8 [redevelopment agency](#), established in accordance with chapter 31 of this title.

9 (2) "Arts district" means the economic development zone designated as the arts and
10 entertainment district in the downtown area of the city described in § 44-30-1.1.

11 (3) "Ballpark district" means the ballpark district of the downtown Pawtucket
12 redevelopment project area or tax increment master plan, including the ballpark known as McCoy
13 Stadium, and related facilities and its immediately adjacent parcels within the redevelopment area
14 approved by the agency in accordance with the procedures set forth in chapters 31, 32, 33, and 33.2
15 of this title.

16 (4) "Bonds" means revenue bonds issued by the Pawtucket [and/or Central Falls](#)
17 redevelopment agency or [either](#) ~~the~~ city in accordance with the provisions of chapters 31, 32, 33,
18 and 33.2 of this title in order to finance a project, which bonds may be issued on a tax-exempt or

1 taxable basis, on a fixed-rate basis or variable-rate basis, or any combination thereof, and may be
2 issued in one or more sub-series and supported with letters or lines of credit, liquidity facilities,
3 insurance or other support arrangements including, but not limited to, interest rate "caps," "floors,"
4 "collars," that the agency or city, as issuer, determines to be necessary or desirable for the purpose
5 of generating savings or managing interest rates in connection with, or subsequent to, or incidental
6 to the issuance, carrying, or securing of the bonds.

7 (5) "City" means the city of Pawtucket, Rhode Island [and/or the city of Central Falls](#).

8 (6) "City economic activity taxes" means city incremental tangible asset taxes, hotel taxes,
9 food and beverage tax revenues, and non-real property assessments from activities in the arts
10 district, the growth center district, and the ballpark district, as set forth in the economic activity
11 taxes agreement negotiated by the governor and the state director of the department of revenue, as
12 described in § 45-33.4-4.

13 (7) "City tax increment revenues" means revenues generated under chapter 33.2 of this title
14 that are expected to include incremental real estate property taxes, personal property taxes, special
15 assessments on real property, and betterment fees generated in the arts district, the growth center
16 district, and the ballpark district.

17 (8) "Economic activity taxes agreement" means the agreement by and among the agency,
18 the city, and the state described in § 45-33.4-4.

19 (9) "Growth center district" means the growth center ~~district~~ [districts](#) described in a
20 redevelopment plan or in a tax increment district master plan approved by the agency in accordance
21 with the procedures set forth in chapters 31, 32, 33, and 33.2 of title 45, which shall have boundaries
22 as follows: [Area 1](#) - The area beginning at the point of intersection of Lonsdale Avenue and the
23 Central Falls/Pawtucket line, continuing south on Lonsdale Avenue until Beecher Street, then
24 heading east, then south, then east on Beecher Street to Coleman Street, then turning south onto
25 Coleman Street to Carpenter Street, then heading east onto Carpenter Street to Conant Street, then
26 turning south onto Conant Street, continuing to Main Street, then turning northeast onto Main Street
27 to Church Street, then turning east onto Church Street to Pine Street, then turning south onto Pine
28 Street to South Union Street, then turning east onto South Union Street to Park Place West, then
29 turning south onto Park Place West to George St, continuing south onto George Street to Division
30 Street, then turning east onto Division Street to Taft Street, then turning south onto Taft Street to
31 Max Read Field, turning east at Max Read Field and crossing the Seekonk River, then turning south
32 along Seekonk River boundary to the intersection of Berry Spring Street and School Street,
33 continuing northerly onto School Street to Bowers Street, turning east onto Bowers Street to
34 Prospect Street, then turning north onto Prospect Street to Interstate 95, turning northeast onto

1 Interstate 95 to Walcott Street, turning west onto Walcott Street to Broadway, turning northerly
2 onto Broadway to edge of Interstate 95, continuing north along the western edge of Interstate 95 to
3 Pawtucket/Attleboro city line, then turning west at the city line to the Blackstone River, then south
4 along the city boundary on the Blackstone River, continuing westerly along the city line to the
5 intersection with Clay Street, then northerly along the easterly property line of Central Falls
6 Assessor's plat 5 lot 29 to Cross Street, then westerly along Cross Street until the intersection with
7 Pine Street, then northerly along Pine Street to Rand Street, then westerly along Rand Street to
8 Lonsdale Avenue, then southerly along Lonsdale Avenue to the point where the city line intersects
9 with Lonsdale Avenue. Area 2 - The area beginning at the intersection of Broad Street and
10 Blackstone Street in Central Falls, then running north along Broad Street to the intersection with
11 High Street, then running easterly along High Street to the intersection with the now or formerly
12 Providence & Worcester Railroad, then southerly along the railroad to the intersection with
13 Blackstone Street, then westerly along Blackstone Street to the point where Blackstone Street
14 intersects with Broad Street.

15 (10) "Project" means any project as defined in § 45-33.2-3 or any capital project as defined
16 in § 45-33.2-3.1 within the ballpark district, arts district, or growth center district and shall include
17 "project costs" as described in § 45-33.2-28, which definition shall apply irrespective of whether
18 the project is described in a redevelopment plan or in a tax increment district master plan.

19 (11) "Redevelopment plan" means a redevelopment plan as defined in § 45-31-8.

20 (12) "State" means the state of Rhode Island and Providence Plantations.

21 (13) "State economic activity taxes" means incremental tax revenues realized in the arts
22 district, the growth center district, and the ballpark district assessed and collected under chapters
23 11, 18, 19, and 30 of title 44 as set forth in the economic activity taxes agreement negotiated by the
24 governor and the state director of the department of revenue; provided, however, that state
25 economic activity taxes shall not include existing tax revenues unless: 1) The project is to facilitate
26 an expansion of an existing business that will otherwise be unable to increase the number of full-
27 time employees in the state; or 2) The commerce corporation certifies in writing that a defined
28 amount of revenues from the districts collected and assessed under chapters 18, 19, and 30 of title
29 44 are necessary to finance or complete a given project; 3) The public investments made under this
30 chapter for a project can be demonstrated to have a likely appreciable positive impact on the
31 revenues of an existing business within the district; or 4) The project is necessary to retain a
32 businesses that is at substantial risk of relocating to a viable location out-of-state as verified by the
33 Rhode Island commerce corporation. The commerce corporation shall establish, by regulation, the
34 documentation that shall be required to verify compliance under this subsection. In order to assist

1 the commerce corporation in verifying compliance, the affected business's chief executive officer,
2 or equivalent officer, shall attest under oath:

3 (i) With respect to any portion of a project that is financing municipal or public facilities,
4 that the project is needed and that the financing of the project is in the public interest; or

5 (ii) With respect to any portion of the project providing financing for industrial or
6 commercial development purposes, that unemployment or the threat of unemployment exists in the
7 city or that security against future unemployment is required; that the project is needed; that it will
8 provide employment or security against loss of employment, including the approximate number of
9 new jobs that should be created or preserved, construction and nonconstruction, their approximate
10 wage rates, what types of fringe benefits such as healthcare or retirement benefits there will be; and
11 the projected increase in personal income taxes to the state of Rhode Island, all having a reasonable
12 relationship to the probable cost of acquiring, establishing, improving, or rehabilitating the facilities
13 in which the employment is to be provided or maintained.

14 (14) "Tax increment district master plan" means a tax increment district master plan as
15 defined in § 45-33.2-3.1.

16 **45-33.4-4. Authorization of economic activity taxes agreement.**

17 (a) The state, acting by and through the department of revenue, is authorized to enter into
18 an economic activity taxes agreement with the agency and the city for the purposes of financing
19 projects, bonding costs, including capitalized interest, debt service reserves, and costs of issuance.
20 Such economic activity taxes agreement may include such covenants and undertakings of the state
21 as the state director of the department of revenue and the governor deem reasonable, including,
22 without limitation, provisions enabling the payment of amounts under the economic activity taxes
23 agreement from legally available funds for each fiscal year during which any bonds are outstanding.

24 (b) Such economic activity taxes agreement and the pledge and assignment of the state
25 economic activity taxes shall be subject to the provisions of this chapter rather than the provisions
26 of chapter 64.21 of title 42. Upon the execution of an economic activity taxes agreement, such
27 economic activity taxes shall be segregated by the state division of taxation from all other tax
28 revenues of the state and deposited on a monthly basis into a restricted account known as the
29 "downtown Pawtucket redevelopment economic activity taxes fund [or the Central Falls](#)
30 [redemption economic activity fund](#)." However, in the event an economic activity taxes
31 agreement has not been signed by June 30, 2020, incremental tax revenues realized in the arts
32 district, the growth center district, and the ballpark district assessed and collected under chapters
33 18 and 19 of title 44 shall be segregated by the state division of taxation and deposited into the
34 [applicable fund](#) ~~downtown Pawtucket redevelopment economic activity taxes fund~~. Monies

1 deposited in the ~~downtown Pawtucket redevelopment economic activity taxes~~ fund may be applied
2 to payment of debt service on the bonds; to fund debt service reserves; to costs of infrastructure
3 improvements in and around the ballpark district, arts district, and the growth center district; to
4 fund future debt service on the bonds; and to fund a redevelopment revolving fund established in
5 accordance with § 45-33-1. If economic activity taxes remain in such ~~downtown Pawtucket~~
6 ~~redevelopment economic activity taxes~~ fund at the end of the state's fiscal year, the monies shall be
7 retained in the fund to be applied in future fiscal years and shall not be applied to reduce future
8 payments but may be applied to "super sinker," "turbo," or other redemption of the bonds, such that
9 if the agency receives revenues in excess of requirements in the bond indenture or trust agreement
10 securing the bonds, the bonds may be retired. Nothing in this chapter shall prohibit the pooling of
11 revenues for the payment of the bonds, provided that the economic activity taxes agreement, bond
12 indenture, or trust agreement shall provide for a reconciliation of contributions of the agency, the
13 city, and the state from time to time; provided however, that the state hereby pledges to and agrees
14 with any person, firm, or corporation, or federal agency subscribing to or acquiring any bonds
15 secured by revenues under this chapter, that the state will not limit or alter the rights vested in the
16 city or the agency or such bondholders until all bonds at any time issued, together with their interest,
17 are fully met and discharged. The state does further pledge to and agree with the United States, and
18 any other federal agency, that in the event that any federal agency constructs or contributes any
19 funds for the construction, extension, improvement, equipping, furnishing, or enlargement of any
20 project, or any portion of it, the state will not alter or limit this chapter in any manner that would
21 be inconsistent with the due performance of any agreements with the federal agency; and the city
22 and the agency continue to have and may exercise all powers granted by this chapter, so long as
23 the powers are necessary or desirable for the carrying out of the purposes of this chapter.

24 (c) The economic activity taxes agreement shall not constitute indebtedness of the state or
25 any of its subdivisions, or a debt for which the full faith and credit of the state or any of its
26 subdivisions is pledged. The state's obligation to make payments of state economic activity taxes
27 under the state economic activity taxes agreement shall be solely from legally available funds.

28 (d) The economic activity taxes agreement may be terminated upon agreement of the
29 parties thereto, provided, however, the economic activity taxes agreement shall not be terminated
30 so long as any bonds secured by the economic activity taxes remain outstanding.

31 (e) By no later than September 30, 2019, the state department of revenue shall establish the
32 baseline to be used in the calculation of state revenues in the state economic activity tax agreement.
33 By that date, the department of revenue, in consultation with the state commerce corporation shall
34 develop a template of an economic activity tax agreement to be executed between the city, the

1 agency, and the state at such time that a redevelopment project is submitted for consideration. Upon
2 submission of a redevelopment project by the city or the agency for financing under this statute,
3 the state shall complete negotiations and finalize approval of an economic activity agreement within
4 120 days of the submission of the request for financing.

5 (f) Not later than February 1 of each year commencing February 1, 2022, the city, the
6 agency, and the Rhode Island commerce corporation shall submit a performance review report to
7 the general assembly which includes, but is not limited to, the following information: sources and
8 uses of project funds, permanent job and construction job creation numbers, local and state tax
9 revenue estimates, and project completion schedules.

10 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO TOWNS AND CITIES -- CITY OF PAWTUCKET DOWNTOWN
REDEVELOPMENT PROJECT

- 1 This act would provide that portions of the city of Central Falls would be included within
- 2 the Pawtucket Downtown Redevelopment Project.
- 3 This act would take effect upon passage.

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