

CHAPTER

No. **AN ORDINANCE APPROVING AND ADOPTING THE
WOONASQUATUCKET CORRIDOR REDEVELOPMENT AND TAX
INCREMENT FINANCING PLAN**

Be it ordained by the City of Providence:

WHEREAS, The City Council of the City of Providence has designated Redevelopment Areas 1, 2, 3 and 4 within the City ("Redevelopment Areas") as redevelopment areas pursuant to Chapters 31-33 of title 45 of the Rhode Island General Laws, the Redevelopment Act of 1956, as amended (the "Redevelopment Act"); and

WHEREAS, The Providence Redevelopment Agency (PRA) is authorized, within a redevelopment area, to purchase, lease, obtain an option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal property, or any estate or interest in it, together with any improvements on it; to acquire by the exercise of the power of eminent domain any real property; to clear, demolish, or remove any and all buildings, structures, or other improvements from any real property so acquired; to rehabilitate or otherwise improve any or all substandard buildings, structures, or other improvements; to insure or provide for the insurance of any real or personal property or operations of the agency against risk or hazard; and to rent, maintain, rehabilitate, improve, manage, operate, repair, and clear the property; and

WHEREAS, It is the purpose and intent of the City Council to facilitate redevelopment of such Redevelopment Areas to accommodate the City's redevelopment initiatives; and

WHEREAS, The City Council is required by the Redevelopment Act to make certain findings, determinations and declarations in connection with the adoption of a redevelopment plan; and

WHEREAS, The PRA has formulated a Redevelopment Plan for the Woonasquattucket Corridor (hereinafter the "Redevelopment Plan"), attached to, and adopted by this Ordinance, that identifies blighted and substandard areas, and establishes a Project Area coincident with existing Redevelopment Areas within the City of Providence as defined in the Providence Code of Ordinances, Chapter 20 "Redevelopment Areas," Sections 20-1 through 20-5 and as reaffirmed by the City Council through Resolution 143, approved March 25, 2008. The Project Area is not restricted to, nor does it consist entirely of lands, buildings and improvements which are detrimental to the public health, safety, morals or welfare, but it is an area in which conditions exist which injuriously affect the entire area and therefore are necessary for inclusion for the effective redevelopment of the entire area; and

WHEREAS, The City Council of the City of Providence hereby makes the following findings, determinations and declarations with regard to the Redevelopment Plan, required by Sections 45-32-13 through 45-32-18 inclusive and Section 45-32-20 of the Rhode Island General Laws:

1. The Project Area evidences the following conditions as more specifically set forth in the Redevelopment Plan: The Redevelopment Plan identifies a large number of properties in the Project Area that meet a number of criteria for deteriorated blight as defined by RIGL § 45-31-8. The properties all exhibit one or more conditions characteristic of deteriorated blight which include dilapidation, deterioration, age or obsolescence. The properties all exhibit one or more conditions characteristic of arrested blight, which includes deterioration of site improvements and tax delinquencies. By virtue of the properties being vacant and/or abandoned, they are subject to deterioration from deferred maintenance, exposure to the elements and vandalism, which if not addressed could lead to the spread of blight. Taken together, the conditions observed and documented within

the Project Area are characteristic of blight and support the establishment of the Redevelopment Plan.

2. The existence of the aforesaid conditions fully supports a finding, which the City Council of the City of Providence hereby makes, that multiple properties within the Project Area constitute "arrested blighted" as that term is defined in Section 45-31-8(2), and "deteriorated blighted" as that term is defined in Section 45-31-8(6).

3. The City Council of the City of Providence hereby finds that because an overwhelming majority of properties in the Project Area are "arrested blighted" and "deteriorated blighted", the properties are "blighted and substandard" as that term is defined in Section 45-31-8(3).

4. The City Council of the City of Providence hereby finds that the character of the Project Area as an "arrested blighted area", a "deteriorated blighted area" and a "blighted and substandard area" requires re-planning, redevelopment, rehabilitation and improvement of the Project Area in order to arrest and reverse blight or decay of properties in the Project Area.

5. The intent of this plan is that all redevelopment actions will be in conformance with the Providence Zoning Ordinance and Comprehensive Plan and will be designed to facilitate increased housing opportunities.

6. The City Council hereby finds that the Redevelopment Plan is feasible and conforms to the comprehensive plan for the City of Providence and if carried out would accomplish the purposes and intent of the City Council in promoting the public health, safety, morals and welfare of the community, and effectuating the purposes of the Redevelopment Act.

7. The Redevelopment Plan contains adequate provisions for payment for property to be acquired by the PRA, given the proposed arrangements for potential acquisition as more specifically provided in the Redevelopment Plan, the anticipated costs involved, and the PRA's intention to confine redevelopment activities and acquisition costs to levels within the proposed Tax Increment Financing Plan, and if this is not possible, to seek amendment of the Redevelopment Plan to identify other sources of funding for such activities and acquisitions.

8. The Redevelopment Plan provides for the retention of controls and the establishment of any restrictions or covenants which may run with the real property sold, leased, or otherwise disposed of for private or public use as are necessary to effectuate the purposes of the Redevelopment Act, as such controls and restrictions are more specifically set forth in the Redevelopment Plan; and

WHEREAS, The Redevelopment Act of 1956 provides that it is the policy of this state to protect and promote the health, safety, morals, and general welfare of the people of the state, particularly in the communities in which blighted and substandard areas exist, by the elimination and prevention of these blighted and substandard areas, thereby encouraging in these areas through redevelopment the provision of healthful homes, a decent living environment and adequate places for employment; and

WHEREAS, The Redevelopment Act of 1956 provides that the use of eminent domain powers may be used to accomplish the purposes of the Redevelopment Act; and

WHEREAS, The Rhode Island Home and Business Protection Act of 2008, R.I. Gen. Laws 42-64.12-1 et seq. (the "Protection Act") places certain limitations on eminent domain takings for purposes of economic development; and

WHEREAS, The Protection Act defines "economic development" as "the mobilization of intellectual, human, capital, physical and natural resources to generate marketable goods and services for purposes including, but not limited to, creating jobs, economic and employment

opportunities, tax base and wealth”; and

WHEREAS, The redevelopment activities proposed in the Redevelopment Plan to alleviate blighted and substandard conditions pertaining to the use of eminent domain are principally and primarily intended to alleviate those blighted and substandard conditions; and

WHEREAS, Because the successful redevelopment of the properties, support of private development, and improvement of existing infrastructure in the Project Area pursuant to the Redevelopment Plan would indirectly yield economic development benefits, the Redevelopment Plan may be seen as employing resources that would have the effect of creating economic and other opportunities which foster the generation of marketable goods and services; and

WHEREAS, The City Council recognizes that Redevelopment Agencies have been largely excluded from coverage under the Protection Act, but that, in an excess of caution, because the PRA reserves its rights to exercise the power of eminent domain with regard to the acquisition of the properties which exhibit the conditions identified in the Redevelopment Plan, it may be argued that the eminent domain proceedings reserved in the Redevelopment Plan may be seen as having a dual purpose of redevelopment (i.e. the elimination of blighted and substandard conditions) and economic development and thus could fall under the purview of the Protection Act: and

WHEREAS, The City Council of the City of Providence hereby makes the following findings, determinations and declarations with regard to the Redevelopment Plan and the Protection Act:

1. The Protection Act specifically exempts local redevelopment agencies from the provisions of the act, with the exception of subsection 42-64.12-17(c), which requires the approval of the City Council of any eminent domain proceedings for economic development purposes.
2. The Protection Act recognizes that a permissible use of eminent domain power is eliminating an identifiable public harm and/or correcting conditions adversely affecting public health, safety, morals, or welfare, including, but not limited to, the elimination and prevention of blighted and substandard areas as defined by chapter 45-31, and correcting conditions of environmental contamination that pose a significant risk to the public health.
3. While the PRA reserves the right in the Redevelopment Plan to acquire properties by eminent domain, the Redevelopment Plan expressly provides that it is not the current intention of the PRA to use the powers of eminent domain to acquire any properties.
4. Any use of eminent domain powers to acquire property as set forth in the Redevelopment Plan would be for the purposes of addressing, alleviating, eliminating and preventing blighted and substandard conditions, as more specifically set forth in the Redevelopment Plan.
5. While the use of eminent domain power to acquire property as set forth in the Redevelopment Plan, if exercised, may have incidental and indirect economic development benefits, such incidental and indirect benefits are recognized under the Redevelopment Act and are consistent with redevelopment activities engaged in under the Redevelopment Act.
6. The City Council concludes that approval of the proposed use of eminent domain power as reserved in the Redevelopment Plan is not required under the Protection Act because any such use of the eminent domain power would be for purposes of redevelopment (i.e. the elimination of blighted and substandard conditions), not economic development.
7. To the extent approval of the City Council is determined to be required under the Protection Act for the use of such eminent domain power because of the incidental and indirect benefits to economic development which may arise from

such eminent domain activity for redevelopment purposes, such approval is deemed given in the context of the Redevelopment Plan by the passage of this Ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF PROVIDENCE:

Section 1. The Woonasquatucket Corridor Redevelopment Plan and Tax Increment Financing Plan, attached to this Ordinance, and incorporated herein by this reference, is adopted and approved as a forty (40) year redevelopment project plan of the City of Providence pursuant to chapters 31-33 of title 45 of the Rhode Island General Laws and the Redevelopment Act of 1956.

Section 2. The PRA is hereby authorized, if necessary, to acquire real property in the Project Area in order to effectuate the redevelopment of the Project Area as more specifically provided in the Redevelopment Plan. In the event some form of acquisition by the PRA proves necessary, the PRA and the City may exercise options that include eminent domain, tax taking, gifts of property or a negotiated purchase. In case of tax delinquency, the City shall acquire property through a tax taking in accordance with RIGL 44-9-8.1, and the City shall subsequently convey such property to the PRA. The PRA is authorized to acquire property through eminent domain, if it determines necessary, in accordance with RIGL § 45-31 through 33. No property or interest therein not identified in this Redevelopment Plan as subject to acquisition by eminent domain may be taken by eminent domain by the PRA unless done so in accordance with Section 8 of the Redevelopment Plan and to specifically identify provisions for payment of such acquisitions if it is not to be paid for through the Tax Increment Financing Plan adopted herein.

Section 3. This Ordinance shall take effect upon passage.