



## EAST PROVIDENCE WATERFRONT SPECIAL DEVELOPMENT DISTRICT COMMISSION EXECUTIVE DIRECTOR'S REPORT

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Date: December 12, 2021  
To: Waterfront Commission  
RE: Advisory opinion to City Council regarding East Point Tax Increment Financing (TIF) request

Owner: W. Mark Russo, Esq, Special Master  
Applicant: Noble Development, LLC  
Address: 300 Bourne Ave & 0 Bourne Ave  
Map/Block/Lot: Map 203/ Block 1/ Lot 4 & Map 303/ Block 13, Lots 4 & 5  
Zoning: Phillipsdale Sub-district

The Waterfront District Commission has received an application for tax increment financing (TIF) for public improvements on three parcels (approximately 27 acres land area) along the Seekonk River and Omega Pond. The TIF would fund infrastructure improvements and create public access for a 392 unit residential development project. The December 16, 2021 Waterfront Commission public meeting is a scheduled vote on an advisory opinion to the City Council regarding the TIF request. This is the second stage in the development of the East Point site. The East Providence Waterfront Commission approved development plans on July 15, 2021.

### **Site**

East Point is a proposed redevelopment of a Brownfield site located in the Phillipsdale Landing sub-district of the East Providence Waterfront District. The site was formerly owned and operated by Ocean State Steel ("Ocean State") as a steel manufacturing facility and was left severely contaminated. After Ocean State abandoned the site, the property was purchased by GeoNova Development Company LLC ("GeoNova") and was subsequently remediated in accordance with the Waste Management requirements set forth by the Rhode Island Department of Environmental Management ("DEM"). Following the completion of the requisite remediation, three (3) Environmental Land Use Restrictions encumbering specific locations on the property remain in place, as shown on the Layout Plan accompanying this application. In 2014, W. Mark Russo, Esq. was appointed Special Master for the property for the specific purpose of implementing, supervising and bringing to conclusion a Confidential Settlement Agreement entered into between GeoNova and the City of East Providence. A Real Estate Purchase and Sale Agreement (the "P&S") between Noble and the Special Master was executed by Noble on July 28, 2020, and the Special Master on August 4, 2020. The P&S contemplates a closing on the Property in the 4th quarter of 2021, but currently requires Noble to complete its permitting for the proposed development and/or waive all permit-related contingencies no later than July 2021. The applicant is also working with Providence and Worcester ("P&W") on a rail crossing that would connect the River and Pond Parcels.

The proposed development is projected to contain three hundred ninety two (392) total units - One Hundred Thirty Six (136) Rental Units and One Hundred Twelve (112) condominiums to be located upon the River Parcel (Map 203, Block 1, Lot 4); and One Hundred Thirty Four (134) rental units and Ten (10) condominiums on the Pond Parcel (Map 203, Block 13, Lots 4 and 5). The proposed single-family units are a conditional use in Phillipsdale that was granted by the Hearing Panel on July 15, 2021. Consistent

with the requirements of Section 19-485 of the Waterfront Special Development District Regulations, the applicant proposes to include the requisite ten percent minimum inclusionary requirement for affordable housing as well.

Per the P&S, the property is being purchased out of the special mastership in two phases over 18 months. The River Parcel will be developed as Phase 1 and will likely take four (4) years to build all the units. The Pond Parcel will be acquired within a year or so thereafter, will be the second phase and will start construction within two (2) years of the initial acquisition and likely take four (4) years start to finish to complete the buildout. The overall duration of the project is therefore estimated to take seven (7) years.

East Point will have various style and size residential units similar to the applicant's recent project, Kettle Point. Units will range from 1-, 2- and 3-bedroom rental apartments with gym and pool amenities, to single family style units that are designed on pier foundations, given that a significant portion of the property is in the V zone floodplain. A various assortment of single level condominiums geared toward an older buyer demographic and three (3) level townhouse units geared toward a younger demographic will be offered as well.

East Point will have approximately 0.95 acres of public open space, including 0.70 acres along the Seekonk River and 0.20 acres along Omega Pond for public access, with numerous walking trails, bike lanes (specifically the inclusion of a bike path along the main entranceway to the site), seating areas and fishing spots. Additionally, the applicant proposes to install a canoe launch at the point of the Pond Parcel in furtherance of Noble's intention to provide enhanced public access to the East Providence shoreline. All open space will benefit residents of the development as well as the general public. The project will be served by public water and sewer. All stormwater will be captured and treated on site in accordance with the Coastal Resource Management Council ("CRMC") requirements and the best practices in sustainable design. The project will also include removal and disposal of a century old barge in the Seekonk River.

### **History**

A presentation of the East Point TIF was given at the November 18, 2021 Waterfront Commission meeting. The November meeting included an overview of the TIF funding request.

The East Point Tax Increment Financing Application fee has been paid and the application is pending. The Waterfront Commission has contracted RKG Associates, Inc. to review the application on behalf of the commission and Amy Goins of Ursillo, Teitz & Ritch to review the application for completeness.

A TIF pre-application meeting was held December 8, 2021, with the Noble Development team, RKG, Municap, the EPWC chair and executive director, city staff including the mayor, assessor, public works director, and finance director

RKG issued a peer review memo on the TIF Projection Schedule on December 1, 2021. The Municap and RKG teams have been working towards resolving any issues brought up in the memo.

### Private Investment

As conceived in the illustrative plan submitted with the application package, the East Point development will provide 533,118 Gross Square Feet (GSF) of new construction:

- 265 rental apartment units
- 28 row houses, 8 duplex units, 44 midrise units, 24 walkup units and 18 single family units
- Urban Coastal Greenway public waterfront trail

According to the application, the projected total private development cost would be \$85.8 million and would be subject to final developer design and phasing in response to market demand.

### TIF Request

Noble Development, LLC has requested \$17,245,108<sup>1</sup> in Tax Increment Financing to fund all of the public improvement costs of the development. Note that this total amount is subject to change prior to the amendment being finalized and sent to the East Providence City Council.

### Projected Total Public Improvement Costs<sup>2</sup>

#### Hard Costs

Main roadway 30" wide	\$4,500,000
Pond UCG improvements	\$750,000
Stormwater detention basins	\$350,000
Swale and landscaping	\$650,000
Public parking UCG	\$750,000
Railroad crossing	\$500,000
Public park over ELUR	\$350,000
Stormwater forebay	\$150,000
Bioretention pond/ filter	\$200,000
UCG pathway and patios/ landscaping	\$1,800,000
Barge and pier removal	\$500,000
Alleys and associated utilities	\$500,000
Roadway, sidewalk, lighting, utilities, ldscp, etc.	\$1,945,108
Pump station	\$500,000
<b>Subtotal hard costs</b>	<b>\$13,445,108</b>
<b>Soft costs &amp; general conditions</b>	<b>\$2,500,000</b>
<b>Contingency (10%)</b>	<b>\$1,300,000</b>
<b>Total Public Improvement Costs</b>	<b>\$17,245,108</b>

<sup>2</sup>Provided by Noble Development LLC, Table D, *East Point City of East Providence Special Waterfront Development District Project Plan Amendment 12.3.21*

The East Point development represents a significant opportunity to transform a vacant, brownfield, underutilized property located along the Seekonk River into a vibrant residential development. "But for" tax increment financing, it is likely the site will remain vacant or be developed in a manner inconsistent with the East Providence Waterfront Plan, with little public access or benefit of increased tax revenue.

### RKG Associates Review

RKG Associates has been contracted by the East Providence Waterfront Commission to review the TIF application and project plan on the commission's behalf (reimbursable by the applicant). See enclosed

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<sup>1</sup> Preliminary TIF amount as of this writing. Final amount subject to change.

December 1, 2021 RKG memo.

### **Consistency with the 2003 Waterfront Plan**

I concur with the applicant's statement on pages 11 to 13 of the Project Plan (Section K) that the TIF requested to support residential development is consistent with six of the seven goals (the goal to revitalize existing commercial areas is not relevant) and 37 of the supporting objectives. The project will also support Goal 2: Objective 4 "To the maximum extent practicable, establish unrestricted pedestrian access to the water, including a continuous public esplanade or boardwalk near the water's edge..."

### **Conclusion**

- As stated in the Project Plan (Page 9, Section F, Paragraph 1), the project property is in a blighted and substandard area." The site has remained vacant since the closure of the Ocean State Steel plant, which was ordered to cease operations in 1994 per the RI Dept of Environmental Management.
- As stated in the Project Plan (Page 9, Section F, Paragraph 2), the development of East Point requires several extraordinary improvements that are not typical for a standard development project. These include: installation of a railroad crossing, signage and signals; sewage pumping station; creation of an Urban Coastal Greenway; and the removal of a derelict offshore barge. This in addition to creation of roadways, stormwater retention and the creation of a public park.
- As part of the agreement for the developer to purchase the property out of receivership, the City of East Providence has agreed to provide financing through a TIF. If it were not for a TIF, the property would not have been purchased and would have extended the underutilization of a waterfront property spanning almost three decades.

### **Vote**

(Positive ) advisory opinion to City Council regarding application for \$17,245,108 Tax Increment Financing to fund infrastructure and public amenities.

Respectfully Submitted,



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Chris Martin, Executive Director

cc: Waterfront Commission  
Applicant: Noble Development, LLC including Richard Baccari, Municap  
RKG Associates

Encl:

- Municap Project Plan Amendment, December 2, 2021
- RKG Associates, Inc. December 1, 2021 memorandum