

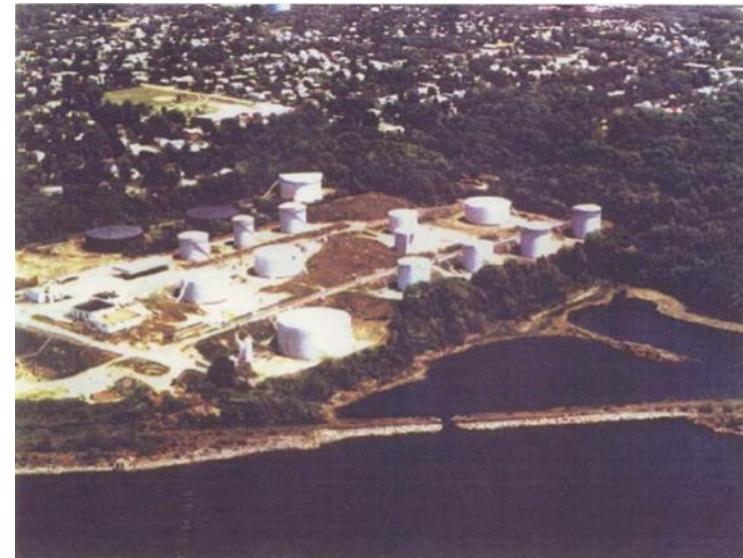


# Kettle Point, a model of Excellence in Plan Implementation

*A Win for the City of East  
Providence*  
*Annual TIF Update*  
*August 2020*

# Kettle Point 1939-1985

- 25 petroleum storage tanks on site from 1939 to 1985
- Contaminated soil unsuitable to support vegetation, wildlife & human activity
- Fenced off with no public access to area or shoreline
- Property value was \$2,200,000



**STATUS: Dormant**

## Kettle Point After 2016-Present

- Over 25,000 cubic yards of soil successfully remediated
- Public Access to environmentally safe area that is annually monitored
- New walking trails with access to East Bay Bike Path
- New City Park featuring 600-foot boardwalk & pier
- Property values over \$64,000,000

**STATUS: ACTIVE**



# Kettle Point as a Petroleum Tank Farm

---



Kettle Point Petroleum Storage - Circa 1939



---

## Kettle Point Post Tank Removal -1985

*Barren & Unsuitable Habitat with elevated levels of contaminated soil*

---



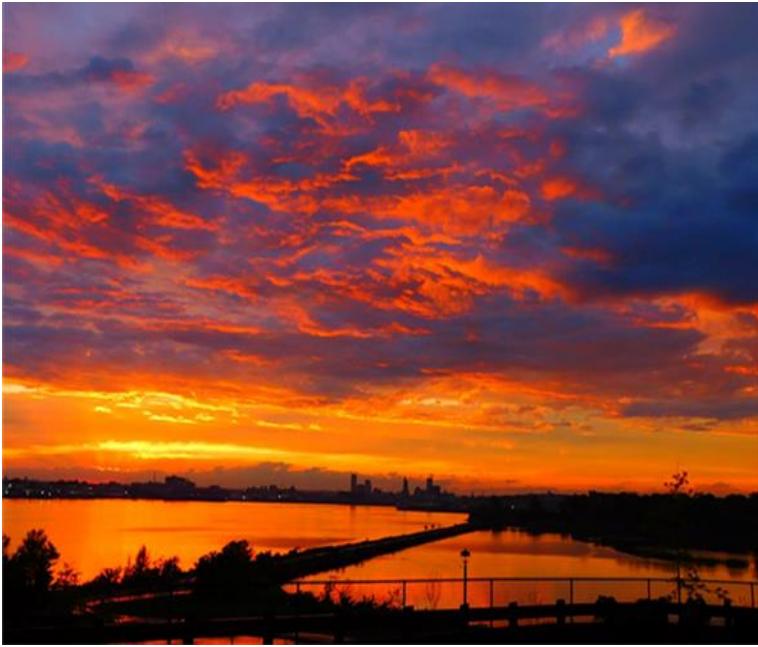
# Kettle Point Now

---



University Orthopedics, Kettle Point Apartments, and townhouse condos, located between Veterans Memorial Parkway, a state designated scenic roadway, and the East Bay bike path, on upper Narragansett Bay, Watchemoket Cove, Long Rock Cove and the Providence River





Public Access Enhanced with new improved walking trails to Kettle Point Park that features a 600-foot boardwalk/fishing pier, rocky shoreline, a small sandy beach and to the scenic East Bay bike path



# Kettle Point TIF Performance

# Kettle Point TIF Case Study (Actual numbers)



Former heavily contaminated Brownfield site is now a new neighborhood that generates economic value with public access to the waterfront & provides employment opportunities for residents



December 31, 2009 Base Value  
= \$2,722,400

Total Annual Property Tax  
Revenues = \$67,406



December 31, 2019 Total Value  
= \$64,453,000

Total Annual Property Tax  
Revenues = \$1,522,000



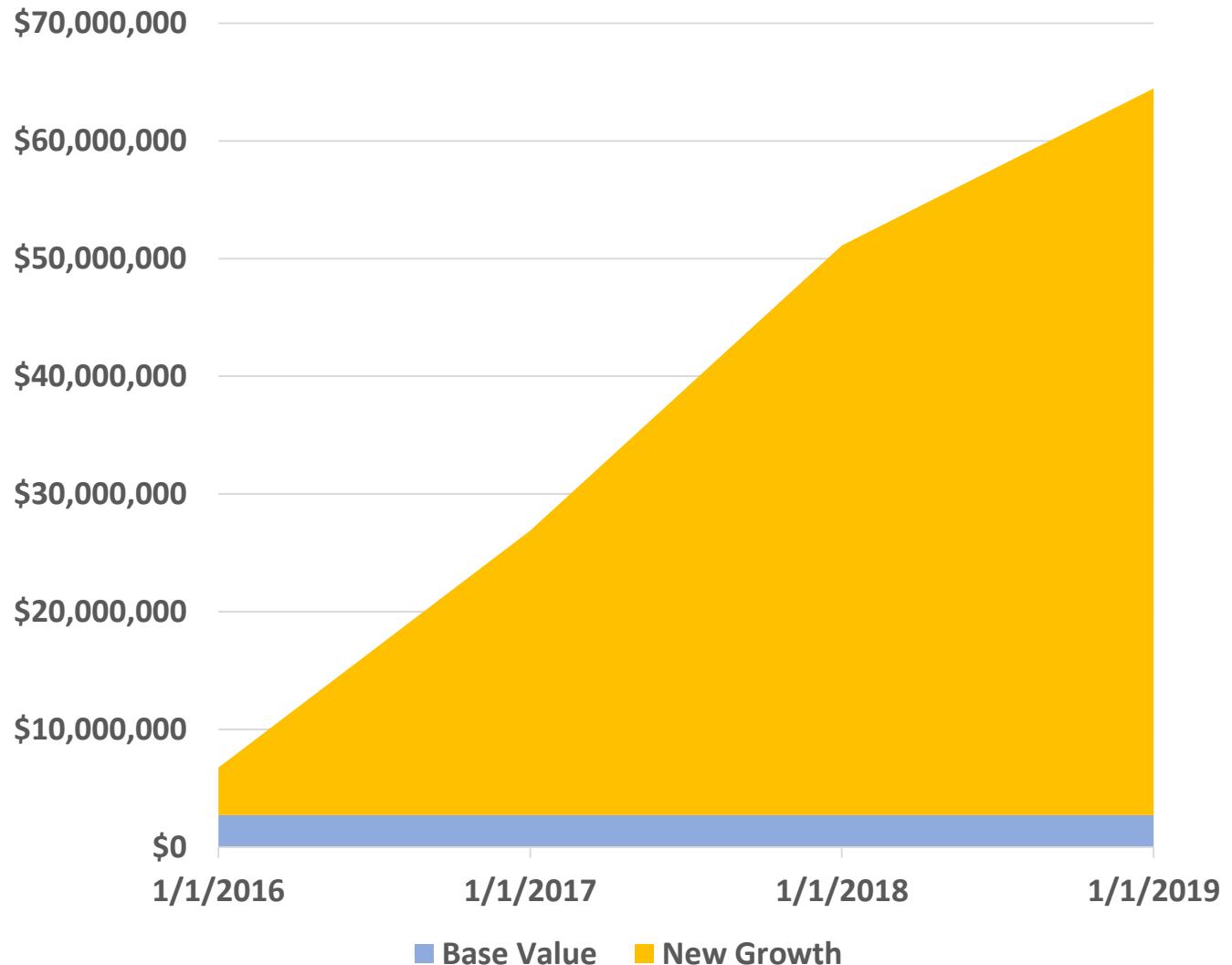
Since development began in 2015 the cumulative property taxes generated are \$3,530,000 with \$3,264,000 attributable to new growth



The economic contribution of the remediation, utility & construction work was substantial in terms of total capital investment

# Kettle Point TIF District Trend of Assessed Property Values

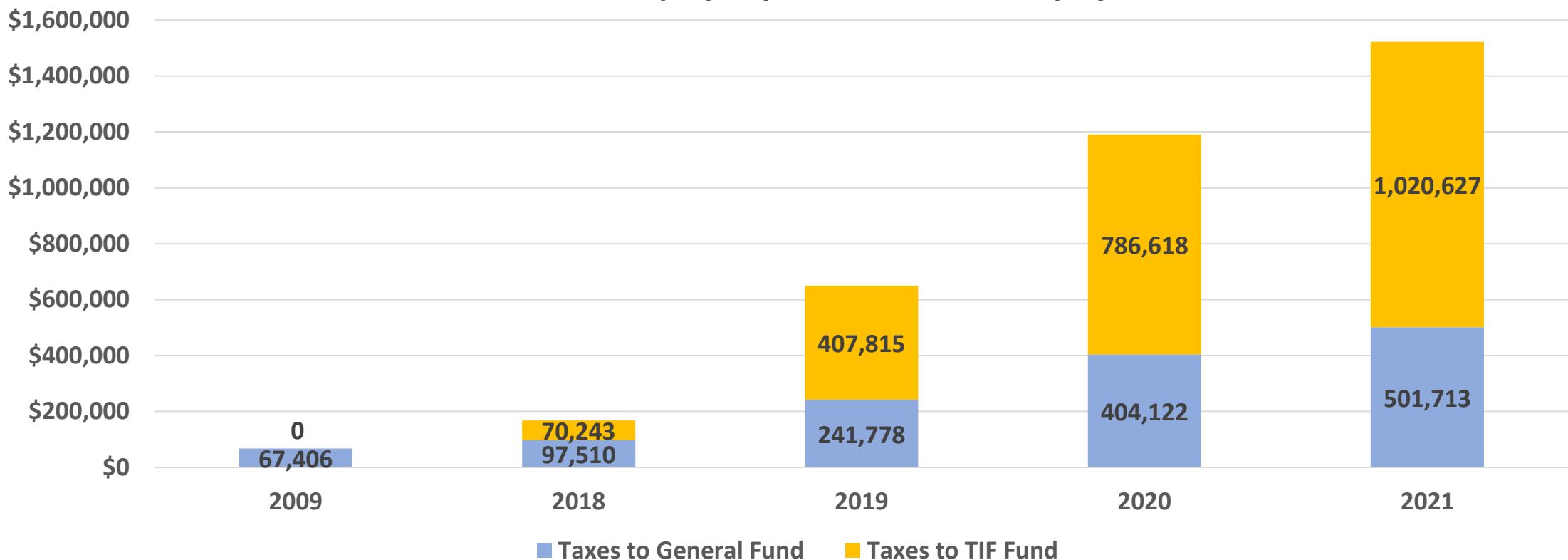
Base Value in 2009 was \$2,722,400  
& by Dec. 31, 2019 total values exceed \$64MM



# Kettle Point TIF District

## Trend of Total Tax Revenues

In 2009 the property generated \$67,406 in property taxes & by December 31, 2019 over \$1,520,000 in total property taxes stem from the project



*Does not include tangible tax revenues  
FY 21 tangible taxes to city = \$84K*

# Kettle Point Development Community Benefits



Provides for public  
access to new  
recreational amenities

Urban Coastal Greenway public  
walkway & Bike Path Parking Lot  
Improvements to Squantum  
Woods Park  
Boardwalk & Fishing Pier in  
upper Narragansett Bay



Provides a new option of residential living  
space to the city's existing housing  
inventory



Attracts new residents to support local  
economy & civic groups (recurring  
benefits)



Improves housing values of surrounding  
neighborhoods

## Kettle Point by the numbers:

- 25 Petroleum storage tanks in the 1950s through 1985
- 0 Acres accessible to the public through 2017
- 49 Acres in development parcels
- 4,300 Linear feet of shoreline
- 62 Townhouse duplex condos
- 228 Class A apartment units
- 88,000 Medical building square footage with 225 employees
- 2013 Churchill & Banks Kettle Point LLC application submitted to the East Providence Waterfront Commission
- 2016 Groundbreaking
- 2015-18 25,000 cubic yards of soil successfully remediated
- 2017 \$10.6 mm Tax Increment Financing for public improvements
- 2021 \$500,000 Projected city general fund tax revenue in 2021
- 2021 TIF Debt Service Coverage of 1.82X

*Waterfront renewed.  
City revitalized.*

# Tax Increment Financing Overview

# How TIFs Work



Base value is set at current assessed value



Development increases the assessed value (captured value)



Higher assessed value results in additional real property tax revenues

These new revenues are the tax increment or captured revenues



City commits to reinvest a portion of the increase in real property tax revenues to encourage desired development



City can leverage new revenues to issue TIF bonds to finance public improvements within the area

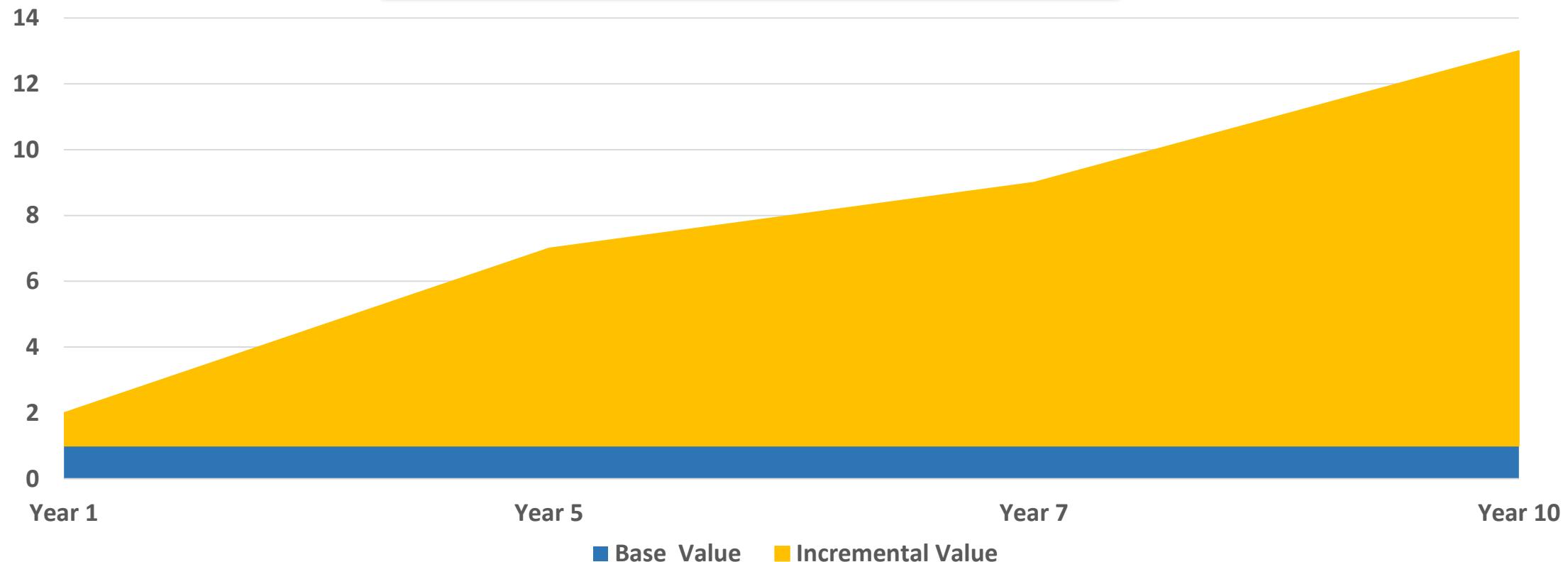
Structuring of debt service for TIF bonds to align with cash flow of incremental tax revenues is critical



Bonds are non-recourse obligations and include a special assessment on property as a back stop

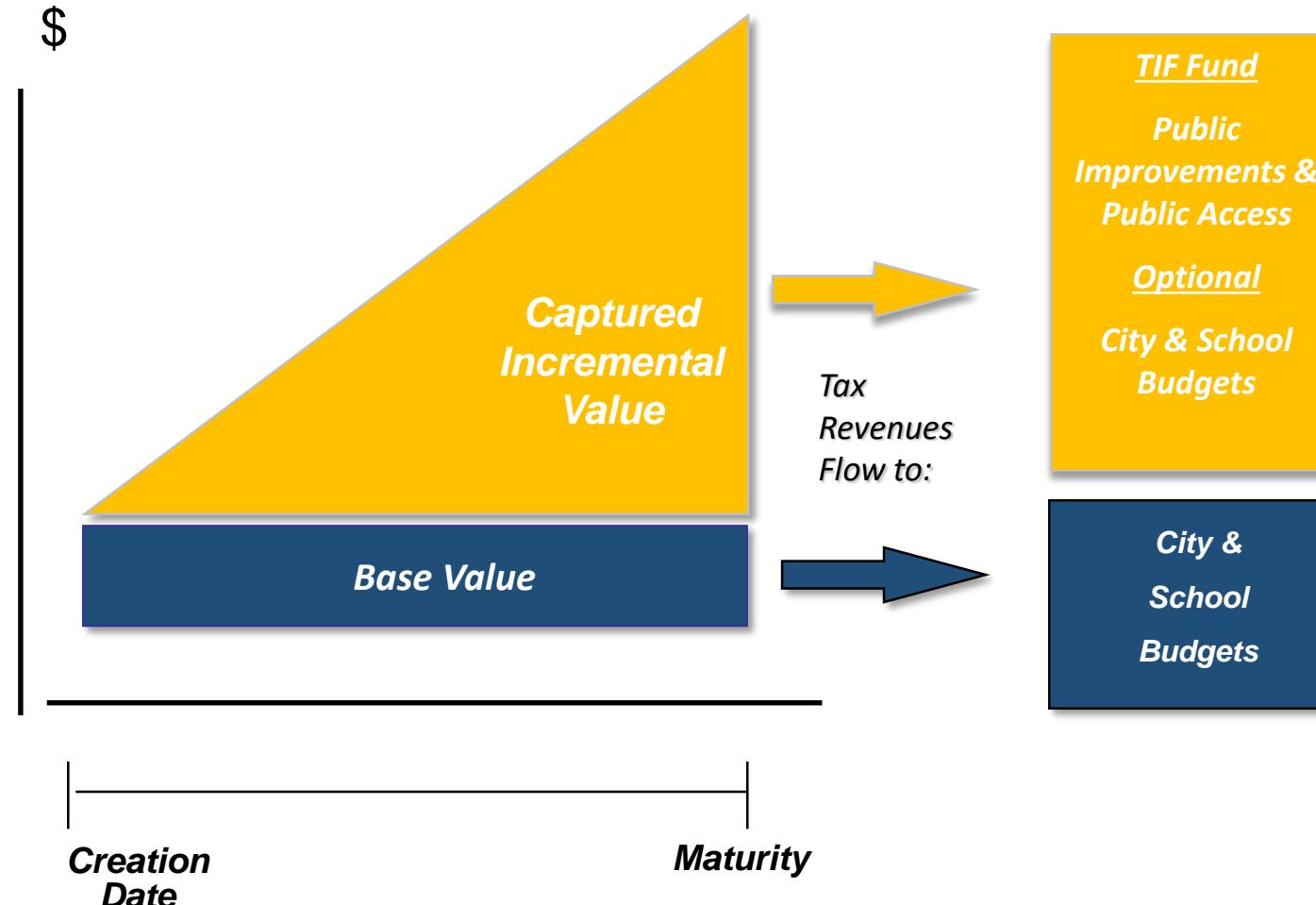
# As improvements to property are made both the value and tax revenues increase

No taxes are deferred or abated but rather are channeled to fund public improvements that support private investment



# TIF District Property Tax Revenues Illustration

(generally does not include Tangible or MV taxes)



# Built in Safeguards



Non-recourse, limited tax obligations with a special assessment as a backstop. No General Obligation Pledge.



Require a Development Agreement with a minimum private investment amount enough to cover debt service payments



Aim for a high multiplier of private investment relative to public investment



Establish development milestones outlined to trigger a TIF bond issuance  
Bonds are sized based only a portion of the projected incremental revenues



Annual Reporting & Monitoring of TIF revenues and payments