

# East Point Waterfront Redevelopment

Presented Noble Development, a Subsidiary of Churchill & Banks

**Presentation to:**  
East Providence Waterfront  
Commission  
November 18, 2021



# Introduction

In conjunction with purchasing the Site from the City, the Developer is requesting an amendment to the Project Plan for the East Point TIF

This presentation will address the updated project plan

- The Waterfront Commission is being requested to provide an advisory opinion to recommend the adoption of the project plan, including a proposed TIF



# Site Plan for Proposed Development



# Site History

## Former Ocean State Steel site

- Ordered to cease operation following a case brought by the Department of Environmental Management in 1994

## GeoNova Development Company LLC proposed redevelopment project in 2001

- \$200 million plan for 500 condominiums, townhomes, single-family homes, and commercial spaces
- Project never materialized

## Prominem LLC released plans for 144 apartment units in 2016

- Plan never made it off the drawing board

## Churchill & Banks submitted redevelopment plans in 2020

# Proposed Redevelopment

A residential community along the Seekonk River that will contain a mix of inland and waterfront homes, as well as an apartment complex

## Proposed Redevelopment:

- 247 market rate apartments
- 37 age-restricted affordable apartments
- 33 rowhomes
- 16 duplexes
- 24 small duplexes
- 5 small single-family homes
- 15 waterfront single-family homes



# Horizontal and Vertical Development – Estimated Costs

Horizontal development costs are estimated to be \$16.80 million

- Represent the horizontal infrastructure constructed to support the site
- Includes public utilities and infrastructure needed to support the development, including stormwater utilities, as well as the removal of the existing barge and pier, and construction of public parking for access to the waterfront, a railroad crossing, public pathways, and a pump station

Vertical development costs are estimated to be \$85.82 million

- Represents the construction costs of the residential units
- 80.1% of estimated costs are privately funded

The Redevelopment will leverage \$5.11 of private investment per \$1 of public investment

# Horizontal and Vertical Development – Sources and Uses

	Amount	Percent
<b><i>Sources of Funds</i></b>		
Private Debt	\$64,365,000	60.08%
Equity	\$21,567,302	20.13%
TIF gross bond proceeds	\$21,206,000	19.79%
Total sources of funds	\$107,138,302	100.00%
<b><i>Uses of Funds</i></b>		
Private development costs	\$85,820,000	80.10%
Public development costs	\$16,800,000	15.68%
Bond issuance costs	\$200,000	0.19%
Underwriter's discount	\$159,045	0.15%
Capitalized interest	\$2,167,747	2.02%
Debt service reserve fund	\$1,991,510	1.86%
Total uses of funds	\$107,138,302	100.00%

# Compliance with District Goals

The proposed redevelopment plan aligns with the below goals stated in the East Providence Waterfront Special Development District Plan

- General land use goals
- Expand and enhance waterfront public access and transportation opportunities
- Enhance waterfront special development district economic development opportunities
- Enhance the attractiveness of the project area
- Protect and enhance the natural waterfront environment and allow for public access

An approved plan will allow the City to sell the current site to the Developer

- This will help the City recoup CDBG funds allocated towards the remediation of the current site

# Proposed TIF – Structure

## Bond Structure:

- 25-year term
- May 2022 issuance date (est.)
- Twenty-four months of capitalized interest
- Not-to-exceed amount of \$21,250,000

## Security for the bonds:

- 70% of real property tax revenues will be pledged
- Bonds will utilize no more than 60% of real property tax revenues generated (as is consistent with Kettle Point)

A special assessment will be levied on the private property of the Redevelopment to provide security in case of a deficit in revenues

- Bonds will be solely backed by the revenues generated within the TIF area, as well as the special assessment on the property in case of shortfalls
- There will be no recourse to the City's credit or finances

Above terms and structure are consistent with TIFs approved for other waterfront redevelopment projects, including Kettle Point

# Proposed TIF – TIF Impacts

The Redevelopment is expected to generate \$61.98 million in real property tax revenues over twenty-five years

- Current site is owned by the City of East Providence and does not generate tax revenues
- \$41.86 million in revenues will be pledged to the bonds, representing 70% of tax revenues generated by the incremental assessed value
  - Bonds are expected to have 108% debt service coverage at stabilization
- All revenues not used to pay debt service will flow to the City

The City will benefit directly from new growth

Will create public access to a long-dormant site that will provide recreational opportunities to Omega Pond, Seekonk River, and the Ten Mile River

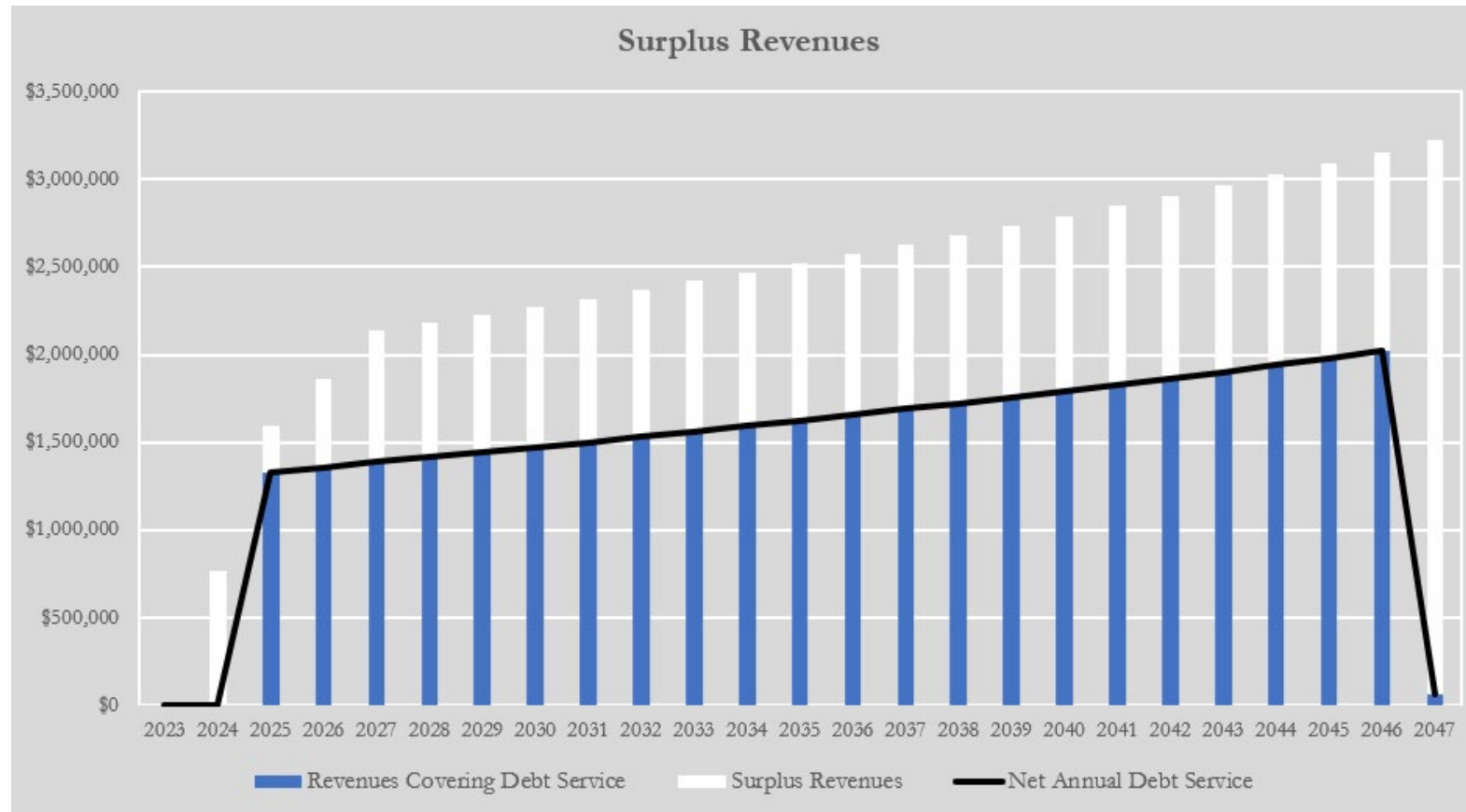
Real Property Tax Revenues	
	Amount
Total real property tax revenues	\$61,983,861
Real property tax revenues pledged to bonds <sup>1</sup>	\$41,861,184
Real property tax revenues to the City <sup>2</sup>	\$20,122,677

<sup>1</sup>Represents 70% of tax revenues generated by incremental assessed value.

<sup>2</sup>Represents 30% of tax revenues not pledged to bonds as well as tax revenue generated by the base assessed values. Surplus from annual debt service payments will also go to the City.

# Proposed TIF – TIF Impacts, continued

Real Property tax revenues generated by the redevelopment will exceed required debt service by \$23.4 million over the term of the bonds



# Proposed TIF - Economic Impacts

The redevelopment is expected to have a positive impact on the City of East Providence

- \$64.5 million tax revenues over a thirty-year term
  - \$61.1 million in real property tax revenues
  - \$3.4 million in one time and additional tax revenues
- Expands tax base by an estimated \$88.88 million in today's dollars at full buildout
- City will receive excess real property tax revenues not needed to pay cover debt service throughout the term of the bonds

## Job Creation:

- 7 permanent direct full-time equivalent jobs with \$148,523 in total wages
- 595 temporary direct full-time equivalent construction jobs with \$44,236,311 in total wages
  - Temporary jobs are based on full time equivalents and a one-year duration

# Next Steps

Waterfront Commission to adopt recommendation for Project Plan



Waterfront Commission to issue advisory memo to City Council, recommending adoption



City Council first reading



City Council public hearing and vote



Update analysis and amend TIF as necessary



Obtain private financing



Issue bonds