



SENATE FISCAL OFFICE
ISSUE BRIEF

***FY2020 Supplemental Budget as Passed by the House of Representatives
(2020-H-7170 Substitute A as amended)***

JUNE 18, 2020

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY2020 (LC003762/4)

Section 22 - Extends Authorization of the Historic Preservation Tax Credit Program through June 30, 2021

The amendment extends the authorization of the Historic Preservation Tax Credit Program one year, from its current sunset date of June 30, 2020, to June 30, 2021. The extension allows for the potential reissuance of existing credits in the event they are abandoned or forfeited. The issuance of new credits is not authorized. There is no fiscal impact.

The General Assembly first established a tax credit program to support the renovation and reuse of historic properties for economic development purposes in 2002. Since then the elements, rules, and financing of the program have been modified several times, notably in 2008, when the total number of projects were capped, the maximum credit was reduced, and bonds were issued to stabilize the effect of the credit redemption on State revenue sources.

In 2013 the program transformed into the current Rhode Island Historic Preservation Tax Credit (RIHPTC) program that allows credits to be used against business and personal income taxes (limited to \$5.0 million per project) and allows credits previously issued but abandoned or forfeited to be reissued. The program was specified to last three years, with no new credits to be issued after June 30, 2017. It has since been extended each year since.

Section 23 - New Lease Provisions for the State Archive Facility

The amendment authorizes the Secretary of State (State) to enter into a new lease agreement with Weybosset Hill Investments, LLC (an affiliate of Paolino Properties, LP), for a ten-year period, for 11,234 square feet of office, vault, storage, and display space at 33 Broad Street in Providence, for the State Archives facility. The State currently holds a lease agreement for the archives with Weybosset Hill Investments, LLC (an affiliate of Paolino Properties, LP). The old location consists of 8,000 square feet of office space and is located at 337 Westminster Street, in Providence. The current lease expires May 31, 2020, and the owner will not renew the lease. The article provides that the aggregate rent for a ten-year lease term in the lease agreement will be \$2.8 million. The proposed location is larger than the previous location and provides vault and storage space.

State Agency	Old Location	Sq. Ft.	Sq. Ft. Change	Annualized Rent	Rent Change	Lease Term	Aggregate Rent
Secretary of State	337 Westminster Street, Providence	8,000		\$160,000		Ends May 31, 2020	
	New Location						
	33 Broad Street, Providence	11,234	3,234	\$280,288	\$120,288	10-years	\$2,802,883