2018 -- H 7290 SUBSTITUTE A

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2018

AN ACT

RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS

Introduced By: Representatives Messier, Coughlin, Johnston, Tobon, and Barros

Date Introduced: January 25, 2018

Referred To: House Finance

It is enacted by the General Assembly as follows:

- 1 SECTION 1. Title 45 of the General Laws entitled "TOWNS AND CITIES" is hereby
- 2 amended by adding thereto the following chapter:
- 3 <u>CHAPTER 33.4</u>
- 4 <u>CITY OF PAWTUCKET DOWNTOWN REDEVELOPMENT PROJECT</u>
- 5 <u>45-33.4-1. Definitions.</u>
- 6 For purposes of this Chapter, the following terms shall have the meanings ascribed to
- 7 <u>them herein:</u>
- 8 (1) "Agency" means the Pawtucket Redevelopment Agency, established in accordance
- 9 with chapter 31 of title 45 of the general laws.

10 (2) "Ballpark" shall mean a new ballpark, currently known as the Ballpark at Slater Mill,

- 11 and related facilities and parking in the City.
- 12 (3) "Ballpark District" means the Ballpark district of the Downtown Pawtucket

13 Redevelopment Project Area including the Ballpark and immediately adjacent areas of the

- 14 redevelopment area approved by the Agency in accordance with the procedures set forth in
- 15 chapters 31, 32 and 33 of title 45 of the general laws.
- 16 (4) "Bonds" means revenue bonds issued by the Pawtucket Redevelopment Agency in
- 17 accordance with the provisions of chapters 31, 32 and 33 of title 45 of the general laws in order to
- 18 finance the Ballpark and Land Costs, which bonds may be issued on a tax-exempt or taxable basis
- 19 or any combination thereof, and may be issued in one or more sub-series.

- 1 (5) "City" means the City of Pawtucket, Rhode Island.
- 2 (6) "City Economic Activity Taxes" means existing tax revenues from activities at 3 McCoy Stadium and incremental tangible asset taxes, hotel taxes, food and beverage tax revenues 4 and non-real property assessments generated in and around the Downtown Pawtucket 5 Redevelopment Project in addition to premium Ticket surcharges. (7) "City Tax Increment Revenues" means revenues generated under chapter 33.2 of title 6 7 45 of the general laws which are expected to include incremental real estate property taxes, 8 special assessments on real property and betterment fees generated in and around the Downtown 9 Redevelopment Project. (8) "Downtown Pawtucket Redevelopment Plan" means the redevelopment plan 10 proposed to be approved by the Agency pursuant to chapters 31, 32 and 33 of title 45 of the 11 12 general laws that contemplates public uses of the Ballpark and a mixed use real estate 13 development in an adjacent area which may include retail, entertainment, restaurant, public park, 14 civic space, hotel, office space and residential components as part of a larger redevelopment of 15 downtown Pawtucket. 16 (9) "Downtown Pawtucket Redevelopment Project" means the project proposed to be approved by the Agency in accordance with chapters 31, 32 and 33 of title 45 of the general laws, 17 that contemplates public uses of the Ballpark and a mixed use real estate development in an 18 19 adjacent area which may include retail, entertainment, restaurant, public park, civic space, hotel, 20 office space and residential components as part of a larger redevelopment of downtown 21 Pawtucket. 22 (10) "Downtown Pawtucket Redevelopment Project Area" means the redevelopment area 23 approved by the Agency in accordance with the procedures set forth in chapters 31, 32 and 33 of title 45 of the general laws. 24 25 (11) "State Economic Activity Taxes" shall mean existing tax revenues realized from activities at McCoy Stadium and tax revenue in the Ballpark District of the Downtown Pawtucket 26 27 Redevelopment Area collected under chapters 18, 19, and 30 of title 44 of the general laws. 28 (12) "Land Costs" means the cost of land acquisition for the Ballpark and related 29 infrastructure which shall include all related expenses of acquisition by purchase or through 30 eminent domain; 31 (13) "Lease" means the lease agreement to be entered into by the Agency, as lessor and 32 the Team, as lessee, providing for the lease of, and payment of rentals for the Ballpark and related 33 facilities.
- 34 (14) "McCoy Stadium" means the existing minor league baseball stadium by that name

- 1 located in the City.
- 2 (15) "PawSox" or "Team" shall mean the Pawtucket Red Sox Baseball Club, LLC, its
 3 affiliates, successors or assigns.
- 4 (16) "Renewal and Replacement Reserve Fund" means the fund established pursuant to §
- 5 45-33.4-5 to ensure funding of maintenance, renewal and replacement of the Ballpark and related
- 6 <u>facilities.</u>
- 7 (17) "State" means the State of Rhode Island and Providence Plantations.
- 8 (18) "Ticket" means any physical, electronic, or other form of certificate, document, or
- 9 token showing that a fare, admission, or license fee for a right to enter the Ballpark has been paid.
- 10 **45-33.4-2.** Findings and legislative determinations.
- 11 (a) After lengthy study, review of and comment on various proposals, numerous public
- 12 <u>hearings and substantial due diligence, the General Assembly hereby finds that:</u>
- 13 (1) McCoy Stadium was constructed seventy-five (75) years ago in the City, has

14 <u>undergone two renovations since that time and, being near the end of its useful life, will not meet</u>

- 15 the standards for Triple-A baseball without major repairs and renovations; and
- 16 (2) The estimated cost to repair and renovate McCoy Stadium is approximately the same
- 17 as the cost of constructing a new facility, with no expected catalytic impact on ancillary
- 18 development surrounding McCoy Stadium; and
- 19 (3) The downtown area of the City has been economically depressed and has seen very
- 20 limited new infrastructure, development, or investment in decades and the Ballpark is anticipated
- 21 to jumpstart new economic initiatives in the City and in the Blackstone Valley and create new
- 22 jobs in the state; and
- 23 (4) The City is developing a redevelopment plan that contemplates public uses of the
- 24 Ballpark and a mixed use real estate development in an adjacent area which may include retail.
- 25 entertainment, restaurant, public park, civic space, hotel, office space and residential components
- 26 as part of a larger redevelopment of downtown Pawtucket; and
- 27 (5) The Ballpark will operate and be utilized as a public park and will create public
- 28 recreational, social, and communal benefits; and
- 29 (6) It is proposed that the Agency will own the Ballpark and lease the Ballpark to the
- 30 Team and that the State will not be a party to the Lease or any sublease of the Ballpark; and
- 31 (7) In order to reduce interest rate costs to finance the Ballpark and Land Costs, the City
- 32 <u>has proposed that the Agency will issue the Bonds to finance such costs on a tax-exempt basis, to</u>
- 33 the extent permitted by federal tax law; and
- 34 (8) Revenues to be generated by the Ballpark are projected by industry experts to be more

1 than sufficient to cover the costs of financing the Ballpark and Land Costs; and

(9) Land Costs and Ballpark construction costs are expected to be approximately eighty-

2

three million dollars (\$83,000,000), excluding financing costs; and 3 4 (10) The PawSox propose to contribute forty-five million dollars (\$45,000,000), 5 including twelve million dollars (\$12,000,000) in equity contributions from PawSox owners to the total project cost, which equity contributions shall be expended toward the construction of the 6 7 Ballpark and shall be expended in full no later than the opening of the Ballpark, and thirty-three 8 million dollars (\$33,000,000) to be financed by Bonds issued by the Agency; and 9 (11) The Bonds shall, to the extent practicable, be issued by means of a public offering, 10 and shall not be sold by means of a private placement unless it is impracticable or economically 11 inefficient to issue and sell the bonds in a public offering. If Bonds are privately placed, the 12 underwriters or purchasers of such Bonds, or a municipal financial advisor registered with the 13 Securities and Exchange Commission, shall certify that the interest rates, prices and yields of the 14 Bonds represent fair market prices of the Bonds. (12) The Team, the Agency and the State shall conduct due diligence with the 15 16 underwriters or placement agent for the Bonds in accordance with federal securities laws and rules of the United States Securities and Exchange Commission and Municipal Securities 17 Rulemaking Board to ensure that the contributions and financial responsibilities of the parties are 18 19 fully and publicly disclosed. 20 (13) The State proposes to contribute State Economic Activity Taxes realized from 21 activities in the Ballpark District and at McCoy Stadium to support Bonds issued by the Agency; 22 and (14) The City proposes to contribute City Tax Increment Revenues and City Economic 23 24 Activity Taxes realized from the Downtown Redevelopment Project Area in order to support 25 Bonds of the Agency, 26 (15) Energy costs for public buildings are skyrocketing and will likely continue to 27 increase; energy use by public buildings contributes substantially to the problems of pollution and 28 global warming; public buildings can be built and renovated using high-performance methods 29 that save energy, reduce water consumption, improve indoor air quality, preserve the 30 environment, and make workers and students more productive; and 31 (16) The use of green and sustainable infrastructure in the development and construction 32 of the Ballpark will address stormwater runoff and reduce flooding, reduce pollutant levels in 33 nearby waterways, and may reduce long-term operating costs of the Ballpark. 34 (b) The General Assembly hereby determines and declares that the financing,

1 construction, and development of a Ballpark in the City to be used primarily as a venue for Minor

- 2 League Baseball and also as a public park, as well as the redevelopment of the surrounding
- 3 depressed neighborhood, are public uses that are in the interest of, and for benefit of, the citizens
- 4 of the State, and will contribute substantially to the social and economic well-being of the citizens
- 5 of the State and significantly enhance the economic development and employment opportunities
- 6 <u>within the City and the State;</u>
- 7 (c) The General Assembly hereby determines and declares that government support in
- 8 facilitating the presence of Minor League Baseball and the development of a public park in the
- 9 City provides to the State and its citizens highly-valued intangible benefits that increase the
- 10 <u>quality of life and civic relationships of their citizens; and</u>
- 11 (d) The General Assembly hereby determines and declares that the expenditure of public
- 12 money for these purposes is necessary and serves a public purpose.
- 13 <u>45-33.4-3. Contributions from parties.</u>
- 14 Debt service payments on the Bonds shall be payable from Lease rental payments by the
- 15 PawSox, from annual naming rights payments received by the PawSox, and any such other
- 16 payments necessary to fully cover the Team's annual Lease obligation, State Economic Activity
- 17 Taxes, City Tax Increment Revenues, and City Economic Activity Taxes, each year for a period
- 18 of up to thirty (30) years or any combination thereof.

19 <u>45-33.4-4. Authorization of state economic activity taxes agreement.</u>

- 20 (a) The State, acting by and through the Department of Revenue, is authorized to enter 21 into a State Economic Activity Taxes agreement with the Agency with a term coterminous with 22 the Bonds for the purposes of financing a portion of the Ballpark and Land Costs and costs associated with the Bonds, including capitalized interest, debt service reserves and costs of 23 24 issuance. Such State Economic Activity Taxes agreement may include such covenants and 25 undertakings of the State as the State Director of the Department of Revenue and the Governor 26 deem reasonable, including, without limitation, provisions enabling the payment of amounts 27 under the State Economic Activity Taxes agreement from legally available funds for each fiscal 28 year during which any Bonds are outstanding. 29 (b) Such State Economic Activity Taxes agreement and the pledge and assignment of the
- 30 State Economic Activity Taxes shall be subject to the provisions of this chapter rather than the
- 31 provisions of title 42 of chapter 64.21 of the general laws. Such State Economic Activity Taxes
- 32 shall be segregated by the State division of taxation from all other tax revenues of the State and
- 33 deposited on a monthly basis into a restricted account known as the "Downtown Pawtucket
- 34 <u>Redevelopment Economic Activity Taxes Fund." Monies deposited in the Downtown Pawtucket</u>

1 Redevelopment Economic Activity Taxes Fund may be applied to payment of debt service on the 2 Bonds, to fund debt service reserves, to the State's contributions to the Renewal and Replacement 3 Reserve Fund, to costs of infrastructure improvements in and around the area of the Downtown 4 Pawtucket Redevelopment Project, to fund future debt service on the Bonds and to fund a 5 redevelopment revolving fund established in accordance with § 45-33-1. If monies remain in such Downtown Pawtucket Redevelopment Economic Activity Taxes Fund at the end of the State's 6 7 fiscal year, such monies shall be retained in the Fund to be applied in future fiscal years and shall 8 not be applied to reduce future payments but may be applied to redeem the Bonds under the State 9 Economic Activity Taxes agreement. 10 (c) The State Economic Activity Taxes agreement shall not constitute indebtedness of the State or any of its subdivisions, or a debt for which the full faith and credit of the State or any of 11 12 its subdivisions is pledged. The State's obligation to make payments of State Economic Activity 13 Taxes under the State Economic Activity Taxes agreement shall be solely from legally available 14 funds. 15 45-33.4-5. Renewal and replacement reserve fund. 16 (a) The Team, the Agency and the State shall establish and maintain a Renewal and Replacement Reserve Fund for the long-term capital needs of the Ballpark to ensure that the 17 Ballpark remains a first class Triple-A minor league baseball facility and an asset to the Agency 18 19 and the surrounding community. The Team shall be responsible for a minimum of fifty percent 20 (50%) of the costs of annual capital expenditures for structural repairs including, but not limited 21 to, repairs and improvements to the roof and exterior walls of the facility, protective coatings, 22 ramps, plumbing, and all repairs, replacements, and improvements, whether capital or ordinary, 23 needed to preserve the Ballpark. The Team, the City, and the State, from legally available funds, 24 shall contribute a combined minimum of one hundred fifty thousand dollars (\$150,000) per year in total to the Renewal and Replacement Reserve Fund for use to finance capital expenditures. 25 26 The Team shall contribute a minimum of seventy-five thousand dollars (\$75,000) of the one 27 hundred fifty thousand dollars (\$150,000). Under no condition, shall monies in the Renewal and 28 Replacement Reserve Fund be utilized for operations of the Ballpark or public park. The State, 29 the Team and the Agency shall jointly develop a renewal and replacement capital plan between 30 every two (2) to five (5) years, which plan shall include directives to the parties to make 31 contributions to the Renewal and Replacement Reserve Fund in order to carry out the capital 32 improvements set forth in the renewal and replacement capital plan. 45-33.4-6. Additional agreements of the team. 33 34 (a) The Lease shall be negotiated and executed forthwith upon the passage of this Act and

- 1 <u>such Lease shall include, but shall not be limited to, the following terms:</u>
- (1) The Lease period shall be for a term not fewer than thirty (30) years, which term shall
 commence upon the completion of the construction of the Ballpark and shall not be subject to any
 escape clause; and
 (2) The Team shall be responsible for the daily maintenance of the Ballpark, including,
- 6 <u>but not limited to, keeping the facility in good condition and repair, maintaining the office areas,</u>
- 7 <u>furnishings</u>, fixtures, and equipment, and maintaining the general cleanliness of the Ballpark, and
- 8 shall be responsible for the financial costs associated with such maintenance.
- 9 (b) The General Assembly encourages the City to provide planning and operational
- 10 assistance with respect to the "public park" aspect of the Ballpark, which will operate year-round
- 11 in and around the Ballpark separate and apart from the Ballpark's baseball-related uses.
- (c) The Team shall be solely responsible for any Ballpark construction costs that exceed
 the projected eighty-three million dollar (\$83,000,000) total project cost.
- 14 (d) In the event that the total Ballpark construction costs and Land Costs are less than the
- 15 projected eighty-three million dollars (\$83,000,000) or in the event that not all of the bond

16 proceeds are needed to complete the specified project, any unused bond proceeds shall be used to

17 pay the debt service on the Bonds pro rata. No Land Costs or Ballpark construction costs savings

- 18 will be credited toward the Team's twelve million dollar (\$12,000,000) equity contribution.
- (e) Members of the Team ownership shall develop independently, or with partners, secure
 the development of a minimum of fifty thousand square feet (50,000 ft²) of real estate on the
 Ballpark site or in the ancillary redevelopment area, subject to the City or Agency's acquisition
- 22 and delivery of developable land, and which development shall align contemporaneously with the
- 23 <u>construction of the Ballpark;</u>
- (f) Advance Ticket prices for children, senior citizens, and general admission will not
 increase from the cost of those Tickets in the 2017 regular and post-season for a minimum period
 of five (5) years from the opening of the Ballpark, or before September 30, 2025, whichever is
 earlier.
- (g) Any person working at the Ballpark during the planning, construction, or operational
 phases, including, but not limited to, concessions, the box office, or custodial services, shall be
 employed with the protections of both federal and state labor standards, including fair pay, health
- 31 and safety, anti-discrimination, and provisions that prevent labor misclassification by incorrectly
- 32 <u>designating workers as "independent contractors"</u>.
- 33 (h) The General Assembly, encourages:
- 34 (1) the use of green and sustainable building materials, techniques and standards,

- 1 including those enacted by the General Assembly in the Rhode Island Green Buildings Act,
- 2 chapter 24 of title 37 of the general laws; and
- 3 (2) The use of highly efficient energy systems, the use of water conservation measures,
- 4 and the potential use of on-site renewable energy generation in the development and construction
- 5 of the Ballpark.
- 6 (i) In furtherance of building an energy efficient and sustainable Ballpark, the General
- 7 Assembly encourages the use of financing programs available through Rhode Island
- 8 Infrastructure Bank established pursuant to chapter 12.2 of title 46 of the general laws, including,
- 9 to the extent practicable, the state revolving funds and the efficient buildings fund, which provide
- 10 low-cost financing for eligible renewable and energy efficiency, stormwater abatement, water
- 11 conservation, and other sustainable infrastructure projects.
- 12 <u>45-33.4-7. Severability.</u>
- If any provision of this chapter or the application thereof to any person or circumstances
 is held invalid, such invalidity shall not affect other provisions or applications of this chapter,
 which can be given effect without the invalid provision or application, and to this end the
- which can be given enfort whilout the invalid provision of approaching and to this en
- 16 provisions of this Act are declared to be severable.
- 17 SECTION 2. Section 45-31-8 of the General Laws in Chapter 45-31 entitled18 "Redevelopment Agencies" is hereby amended to read as follows:
- 19 **45-31-8. Definitions.**
- The following definitions and general provisions govern the construction of chapters 31 33 of this title:
- 22

(1) "Agency" means a redevelopment agency created by this chapter.

23 (2) "Arrested blighted area" means any area which, by reason of the existence of physical 24 conditions including, but not by way of limitation, the existence of unsuitable soil conditions, the 25 existence of dumping or other unsanitary or unsafe conditions, the existence of ledge or rock, the 26 necessity of unduly expensive excavation, fill or grading, or the necessity of undertaking unduly 27 expensive measures for the drainage of the area or for the prevention of flooding or for making 28 the area appropriate for sound development, or by reason of obsolete, inappropriate, or otherwise 29 faulty platting or subdivision, deterioration of site improvements, inadequacy of utilities, diversity 30 of ownership of plots, or tax delinquencies, or by reason of any combination of any of the 31 foregoing conditions, is unduly costly to develop soundly through the ordinary operations of 32 private enterprise and impairs the sound growth of the community. An arrested blighted area need 33 not be restricted to, or consist entirely of, lands, buildings, or improvements which of themselves 34 fall within this definition, but may consist of an area in which these conditions exist and

1 <u>injuriously affect the entire area.</u>

2	(3) "Blighted and substandard area" includes a "slum blighted area", a "deteriorated
3	blighted area", or an "arrested blighted area", or any combination of these areas. "Blighted and
4	substandard area" shall also include those areas where the presence of hazardous materials, as
5	defined in § 23-19.14-2, impairs the use, reuse, or redevelopment of impacted sites are present,
6	regardless of whether or not the entire area contains such hazardous materials.
7	(4) "Bonds of agency" means any bonds, notes, interim certificates, debentures, or other
8	obligations issued by an agency pursuant to §§ 45-33-5 45-33-15.
9	(5) "Community" means a city or town.
10	(6) "Deteriorated blighted area" means any area in which there exist buildings or
11	improvements, either used or intended to be used for living, commercial, industrial, or other
12	purposes, or any combination of these uses, which by reason of:
13	(i) Dilapidation, deterioration, age, or obsolescence;
14	(ii) Inadequate provision for ventilation, light, sanitation, open spaces, and recreation
15	facilities;
16	(iii) High density of population and overcrowding,
17	(iv) Defective design or unsanitary or unsafe character or conditions of physical
18	construction;
19	(v) Defective or inadequate street and lot layout; and
20	(vi) Mixed character, shifting, or deterioration of uses to which they are put, or any
21	combination of these factors and characteristics, are conducive to the further deterioration and
22	decline of the area to the point where it may become a slum blighted area as defined in
23	subdivision (18), and are detrimental to the public health, safety, morals, and welfare of the
24	inhabitants of the community and of the state generally. A deteriorated blighted area need not be
25	restricted to, or consist entirely of, lands, buildings, or improvements which of themselves are
26	detrimental or inimical to the public health, safety, morals, or welfare, but may consist of an area
27	in which these conditions exist and injuriously affect the entire area.
28	(7) "Federal government" means the United States of America or any agency or
29	instrumentality, corporate or otherwise, of the United States of America.
30	(8) "Legislative body" means the city council or town council.
31	(9) "Obligee of the agency" or "obligee" include any bondholder, trustee or trustees for
32	any bondholder, or lessor demising to the agency property used in connection with a
33	redevelopment project or any assignee or assignees of that lessor, and the federal government.
34	(10) "Planning commission" or "commission" means a planning commission or other

1 planning agency established under any state law or created by or pursuant to the charter of the 2 community.

3 (11) "Project area" means all or any portion of a redevelopment area. A project area may 4 include lands, buildings, or improvements which of themselves are not detrimental or inimical to 5 the public health, safety, morals, or welfare, or otherwise falls within the definition of a "blighted or substandard area," but whose inclusion is necessary, with or without change in their conditions 6 7 or ownership, for the effective redevelopment of the area of which they are a part.

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(12) "Public hearing" means a hearing before a legislative body or before any committee 9 of the legislative body to which the matter to be heard has been referred.

10 (13) "Real property" means lands, including lands underwater and waterfront property, 11 buildings, structures, fixtures, and improvements to the lands, and every estate, interest, privilege, 12 easement, franchise and right, legal or equitable, including rights of way, terms for years and 13 liens, charges or encumbrances by way of judgment, attachment, mortgage, or otherwise, and the 14 indebtedness secured by liens.

15 (14) "Redevelopment" means the elimination and prevention of the spread of blighted 16 and substandard areas. Redevelopment may include the planning, replanning, acquisition, 17 construction, rehabilitation, improvement, furnishing, equipping, clearance, sale, lease, or other 18 disposition, or any combination of these, of land, buildings, or other improvements for residential, 19 recreational, commercial, industrial, institutional, public, or other purposes, including the provision of streets, utilities, recreational areas, and other infrastructure and other open spaces 20 21 consistent with the needs of sound community growth in accordance with the community's 22 general plan and carrying out plans for a program of voluntary repair and rehabilitation of 23 buildings or other improvements, and may include such other acts within a redevelopment area 24 permitted pursuant to chapters 31 through 33, inclusive, of this title as determined by the 25 legislative body to be consistent with the purposes of chapters 31 through 33, inclusive, of this 26 title.

27 (15) "Redevelopment area" means any area of a community which its legislative body 28 finds is has determined includes a blighted and substandard area whose redevelopment is 29 necessary to effectuate the public purposes declared in this chapter.

30 (16) "Redevelopment plan" means a plan, as it exists from time to time, for a 31 redevelopment project, which:

32 (i) Conforms to the general plan for the community as a whole; and

33 (ii) Is sufficiently complete to indicate land acquisition, demolition and removal of 34 structures, redevelopment, improvements, and rehabilitation as may be proposed to be carried out

in the project area, zoning and planning changes, if any, land uses, maximum densities, building
requirements, and the plan's relationship to definite local objectives, respecting appropriate land
uses, improved traffic, public transportation, public utilities, recreational and community
facilities, and other public improvements.

5 (17) "Redevelopment project" means any work or undertaking of an agency pursuant to
6 chapters 31 -- 33 of this title.

7 (18) "Slum blighted area" means any area in which there is a predominance of buildings 8 or improvements, either used or intended to be used for living, commercial, industrial, or other 9 purposes, or any combination of these uses, which by reason of: (i) dilapidation, deterioration, 10 age, or obsolescence; (ii) inadequate provision for ventilation, light, sanitation, open spaces, and 11 recreation facilities; (iii) high density of population and overcrowding; (iv) defective design or 12 unsanitary or unsafe character or condition of physical construction; (v) defective or inadequate 13 street and lot layout; and (vi) mixed character or shifting of uses to which they are put, or any 14 combination of these factors and characteristics, are conducive to ill health, transmission of 15 disease, infant mortality, juvenile delinquency, and crime; injuriously affect the entire area and 16 constitute a menace to the public health, safety, morals, and welfare of the inhabitants of the 17 community and of the state generally. A slum blighted area need not be restricted to, or consist 18 entirely of, lands, buildings, or improvements which of themselves are detrimental or inimical to 19 the public health, safety, morals, or welfare, but may consist of an area in which these conditions 20 predominate and injuriously affect the entire area.

(19) "State government" means the state of Rhode Island, or any agency or
instrumentality of the state, corporate or otherwise.

(20) "State public body" means the state, or any city or town or any other subdivision or
public body of the state or of any city or town.

25 SECTION 3. Sections 45-32-5 and 45-32-40 of the General Laws in Chapter 45-32
26 entitled "Redevelopment Projects" are hereby amended to read as follows:

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45-32-5. Corporate powers of agencies.

(a) Each redevelopment agency constitutes a public body, corporate and politic,
exercising public and essential governmental functions, and has all the powers necessary and
convenient to carry out and effectuate the purposes and provisions of chapters 31 -- 33 of this
title, including the powers enumerated in this section in addition to others granted by these
chapters:

33 (1) To sue and be sued; to borrow money; to compromise and settle claims; to have a
34 seal; and to make and execute contracts and other instruments necessary or convenient to the

1 exercise of its powers.

2 (2) To make, and, from time to time, amend and repeal bylaws, rules, and regulations,
3 consistent with chapters 31 -- 33 of this title, to carry into effect the powers and purposes of these
4 chapters.

5 (3) To select and appoint officers, agents, counsel, and employees, permanent and 6 temporary, as it may require, and determine their qualifications, duties, and compensation.

7 (4) Within the redevelopment area or for purposes of redevelopment: to purchase, lease, 8 obtain an option upon, acquire by gift, grant, bequest, devise, or otherwise, any real or personal 9 property, or any estate or interest in it, together with any improvements on it; to acquire by the 10 exercise of the power of eminent domain any real property or any estate or interest in it, although temporarily not required to achieve the purposes of chapters 31 -- 33 of this title; to clear, 11 12 demolish, or remove any and all buildings, structures, or other improvements from any real 13 property so acquired; to rehabilitate or otherwise improve any or all substandard buildings, 14 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, 15 16 improve, manage, operate, repair, and clear the property.

17

(5) To develop as a building site or sites any real property owned or acquired by it.

18 (6) To cause streets and highways to be laid out and graded, and pavements or other road 19 surfacing, sidewalks, and curbs, public utilities of every kind, parks, playgrounds, and other 20 recreational areas, off street parking areas and other public improvements to be constructed and 21 installed.

22 (7) To prepare or have prepared all plans necessary for the redevelopment of blighted and 23 substandard areas; with the consent and approval of the community planning commission, to 24 carry on and perform, for and on behalf of the commission, all or any part of the planning 25 activities and functions within the community; to undertake and perform, for the community, 26 industrial, commercial, and family relocation services; to obtain appraisals and title searches; to 27 make investigations, studies, and surveys of physical, economic, and social conditions and trends 28 pertaining to a community; to develop, test, and report methods and techniques and carry out 29 research and other activities for the prevention and the elimination of blighted and substandard 30 conditions and to apply for, accept, and utilize grants of funds from the federal government and 31 other sources for those purposes; and to enter upon any building or property in any 32 redevelopment area in order to make investigations, studies, and surveys, and, in the event entry 33 is denied or resisted, an agency may petition the superior court in and for the county in which the 34 land lies for an order for this purpose. Upon the filing of a petition, due notice of it shall be served

on the person denying or resisting entry, and after a hearing on the petition, the court shall enter
 an order granting or denying the petition.

3 (8) To undertake technical assistance to property owners and other private persons to
4 encourage, implement, and facilitate voluntary improvement of real property.

5 (9) To undertake and carry out code enforcement projects pursuant to the provisions of 6 appropriate federal legislation.

7 (10) To invest any funds held in reserves or sinking funds or any funds not required for
8 immediate disbursement, in property or securities in which savings banks may legally invest
9 funds subject to their control; and to purchase its bonds at a price not more than the principal
10 amount and accrued interest, all bonds so purchased to be cancelled.

11 (11) To lend money, and to sell, lease, exchange, subdivide, transfer, assign, pledge, 12 encumber (by mortgage, deed of trust, or otherwise), or otherwise dispose of any real or personal 13 property or any estate or interest in it acquired under the provisions of chapters 31 -- 33 of this 14 title, to the United States, the state government, any state public body, or any private corporation, 15 firm, or individual at its fair value for uses in accordance with the redevelopment plan, 16 irrespective of the cost of acquiring and preparing the property for redevelopment. In determining 17 the fair value of the property for uses in accordance with the redevelopment plan, the agency shall 18 take into account, and give consideration to, the uses and purposes required by the plan, the 19 restrictions upon, and the obligations assumed by the purchaser or lessee of the property, and the 20 objectives of the redevelopment plan for the prevention of the recurrence of blighted and 21 substandard conditions. Any lease or sale of the property may be made without public bidding 22 provided, that no sale or lease is made until at least ten (10) days after the legislative body of the 23 community has received from the agency a report concerning the proposed sale or lease.

(12) To obligate the purchaser or lessee of any real or personal property or any estate or
 interest in it to:

26 (i) Use the property only for the purpose and in the manner stated in the redevelopment27 plan;

(ii) Begin and complete the construction or rehabilitation of any structure or improvement
within a period of time which the agency fixes as reasonable; and

30 (iii) Comply with other conditions that in the opinion of the agency are necessary to 31 prevent the recurrence of blighted and substandard conditions and otherwise to carry out the 32 purposes of chapters 31 -- 33 of this title. The agency, by contractual provisions, may make any 33 of the purchasers' or lessees' obligations, covenants, or conditions running with the land, and may 34 provide that, upon breach thereof, the fee reverts to the agency. (13) To exercise all or any part or combination of the powers granted in this chapter.

2 (b)(14) Nothing contained in this chapter authorizes an agency to To construct any new
3 buildings for residential, recreational, commercial, or industrial, institutional, public or other uses
4 contemplated by the redevelopment plan.

- 5 (15) To grant or loan any redevelopment project revenues, or other revenues, including
 6 the proceeds of any issue of bonds or notes issued pursuant to this chapter to an individual or any
- 7 <u>nonprofit organization or governmental or quasi-governmental entity or private enterprise, in</u>
- 8 order to finance the cost of any portion of a redevelopment project authorized pursuant to
- 9 chapters 31 through 33 of this title, including, without limiting the generality of the foregoing, the
- 10 cost of acquiring land for, and constructing or rehabilitating, furnishing and equipping residential,
- 11 commercial, industrial, institutional, public, or recreational facilities, within a redevelopment
- 12 area, or to loan bond or note proceeds in order to refinance any such loans.
- 13 (e)(b) Nothing contained in this chapter authorizes an agency to retain for a period in 14 excess of five (5) years from the date of acquisition, or within another additional period of time 15 that the legislative body fixes as reasonable, the fee or any estate or interest in it to any building, 16 structure, or other improvement, not demolished or otherwise removed, which has been acquired 17 bettee second in second encounter the
- by the agency in accordance with the redevelopment plan.
- 18 **45-32-40.** Taxation of real property acquired.
- All real property acquired by an agency for redevelopment purposes is subject to taxation in the same manner and at the same rate as other real property in the community unless the real property is located in the city of Providence <u>or the city of Pawtucket</u> and is exempted by an ordinance enacted by the city council.
- 23 SECTION 4. Chapter 45-32 of the General Laws entitled "Redevelopment Projects" is
 24 hereby amended by adding thereto the following sections:
- 25 **45-32-24.1.** Finding with respect to use a power of eminent domain with respect to
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ballpark redevelopment projects.

- 27 (a) The General Assembly hereby determines and declares that the financing,
- 28 construction, and development of a ballpark in the State to be used primarily as a venue for Minor
- 29 League Baseball and also as a public park, as well as the redevelopment of the surrounding
- 30 depressed neighborhood, are public uses that are in the interest of, and for benefit of, the citizens
- 31 of the State, and will contribute substantially to the social and economic well-being of the citizens
- 32 of the State and significantly enhance the economic development and employment opportunities
- 33 within the State; and
- 34 (b) The General Assembly hereby determines and declares that government support in

1 <u>facilitating the presence of Minor League Baseball and the development of a public park in the</u>

2 State provides to the State and its citizens highly-valued intangible benefits that increase and/or

3 <u>improves the quality of life and civic relationships of their citizens.</u>

4 <u>45-32-24.2. Power of eminent domain with respect to ballpark redevelopment</u> 5 <u>projects.</u>

(a) With respect to any project in the State for redevelopment which includes a 6 7 professional baseball park with a capacity of approximately nine thousand five hundred (9,500) 8 seats, parking and ancillary development, the provisions of this section shall apply rather than the 9 provisions of §§ 45-32-26 through 45-32-37. 10 (b) The acquisition of real property for the construction of a ballpark and a mixed use real 11 estate development in an adjacent area which may include retail, entertainment, restaurant, public 12 park, civic space, hotel, office space and residential components, is declared to be a public use for economic development purposes, and provided that the real property to be acquired is located in a 13 14 redevelopment area, such land, buildings or other improvements need not be blighted or 15 substandard. 16 (c) If, for any of the purposes of this chapter, an agency shall find it necessary to acquire any real property, whether for immediate or future use, the agency may find and determine that 17 18 the property, whether a fee simple absolute or a lesser interest, is required for the acquisition, 19 construction, or operation of a project, and upon that determination, the property shall be deemed 20 to be required for public use until otherwise determined by the agency; and with the exceptions

21 <u>hereinafter specifically noted, the determination shall not be affected by the fact that the property</u>

22 <u>has been taken for, or is then devoted to, a public use; but the public use in the hands or under the</u>

23 control of the agency shall be deemed superior to the public use in the hands of any other person,

24 association, or corporation; provided further, however, that no real property or interest, estate, or

25 right in these belonging to the state shall be acquired without consent of the state; and no real

26 property or interest, estate, or right in these belonging to any municipality shall be acquired

27 without the consent of the municipality; and no real property, or interest or estate in these,

28 <u>belonging to a public utility corporation may be acquired without the approval of the public</u>

29 <u>utility commission or another regulatory body having regulatory power over the agency.</u>

30 (d) As part of an agency's diligence in determining whether it is necessary to acquire
 31 certain real property, whether for immediate or future use, the agency may enter said real
 32 property and conduct environmental testing upon giving the owner not less than two (2) weeks

33 <u>written notice.</u>

34 (e) The agency may proceed to acquire and is authorized to and may proceed to acquire

property, whether a fee simple absolute or a lesser interest, by the exercise of the right of eminent
 domain in the manner prescribed in this chapter.

- 3 (f) Nothing contained in this section shall be construed to prohibit the agency from
 4 bringing any proceedings to remove a cloud on title or any other proceedings that it may, in its
 5 discretion, deem proper and necessary, or from acquiring property by negotiation or purchase.
- (g) The necessity for the acquisition of property under this chapter shall be conclusively 6 7 presumed upon the adoption by the agency of a vote determining that the acquisition of the 8 property or any interest in property described in that vote is necessary for the acquisition, 9 construction, or operation of a project. Within six (6) months after its passage, the agency shall 10 cause to be filed in the appropriate land evidence records a copy of its vote together with a 11 statement signed by the chairperson or vice-chairperson of the agency that the property is taken 12 pursuant to this chapter, and also a description of the real property indicating the nature and 13 extent of the estate or interest in the estate taken and a plat of the real property, which copy of the 14 vote and statement of the chairperson or vice-chairperson shall be certified by the secretary of the 15 agency and the description and plat shall be certified by the city or town clerk for the city or town within which the real property lies. 16 (h) Forthwith thereafter the agency shall cause to be filed in the superior court in and for 17
- the county within which the real property lies a statement of the sum of money estimated to be just compensation for the property taken, and shall deposit in the superior court to the use of the persons entitled to the money the sum set forth in the statement. The agency shall satisfy the court that the amount deposited with the court is sufficient to satisfy the just claims of all persons having an estate or interest in the real property. Whenever the agency satisfies the court that the claims of all persons interested in the real property taken have been satisfied, the unexpended balance shall be ordered repaid forthwith to the agency.
- (i) Upon the filing of the copy of the vote, statement, description, and plat in the land 25 evidence records and upon the making of the deposit in accordance with the order of the superior 26 27 court, title to the real property in fee simple absolute or any lesser estate or interest specified in 28 the resolution shall vest in the agency, and that real property shall be deemed to be condemned 29 and taken for the use of the agency and the right to just compensation for the condemned property 30 shall vest in the persons entitled to compensation, and the agency thereupon may take possession of the real property. No sum paid unto the court shall be charged with clerks' fees of any nature. 31 32 (j) After the filing of the copy of the vote, statement, description, and plat, notice of the 33 taking of that land or other real property shall be served upon the owners of, or persons having
- 34 any estate or interest in, the real property by the sheriff or his or her deputies of the county in

2 description, and plat with each of those persons personally, or at the last and usual place of abode 3 in this state with some person living there, and in case any of those persons are absent from this 4 state and have no last and usual place of abode therein occupied by any person, the copy shall be 5 left with the person or persons, if any, in charge of, or having possession of the real property taken of the absent persons, and another copy shall be mailed to the address of the person, if the 6 7 address is known to the officer serving the notice. 8 (k) After the filing of the vote, description, and plat, the agency shall cause a copy to be published in some newspaper having general circulation in the city or town in which the real 9 10 property lies at least once a week for three (3) successive weeks. 11 (1) If any party shall agree with the agency upon the price to be paid for the value of the 12 real property so taken and of appurtenant damage to any remainder or for the value of his or her 13 estate, right, or interest therein, the court, upon application of the parties in interest, may order 14 that the sum agreed upon be paid forthwith from the money deposited, as the just compensation to 15 be awarded in the proceedings. 16 (m) Any owner of, or person entitled to any estate or right in, or interested in any part of, the real property taken, who cannot agree with the agency upon the price to be paid for his or her 17 estate, right or interest in the real property taken and the appurtenant damage to the remainder, 18 19 may, within three (3) months after personal notice of the taking, or if he or she has no personal 20 notice, may within one year from the time the sum of money estimated to be just compensation is 21 deposited in the superior court to the use of the persons entitled to the compensation, apply by 22 petition to the superior court for the county in which the real property is situated, setting forth the 23 taking of his or her land or his or her estate or interest in these and praying for an assessment of 24 damages by the court or by a jury. Upon the filing of the petition, the court shall cause twenty (20) days' notice of the filing of said petition to be given to the agency by serving the chairperson 25 26 or vice chairperson of the agency with a certified copy of the notice. 27 (n) After the service of notice, the court may proceed to the trial thereof. The trial shall be 28 conducted as other civil actions at law are tried. The trial shall determine all questions of fact 29 relating to the value of the real property, and any estate or interest, and the amount of this value 30 and the appurtenant damage to any remainder and the amount of this damage, and the trial and 31 decision or verdict of the court or jury shall be subject to all rights to except to rulings, to move 32 for new trial, and to appeal, as are provided by law. Upon the entry of judgment in those 33 proceedings, execution shall be issued against the money deposited in court and in default against any other property of the agency. Pre-judgment interest and post-judgment interest, 34

which the real estate is situated by leaving a true and attested copy of the vote, statement,

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3 Such interest shall be paid by the agency out of any funds appropriated and available therefor. 4 (o) In case two (2) or more petitioners make claim to the same real property, or to any 5 estate or interest, or to different estate or interests in the same real property, the court shall, upon motion, consolidate their several petitions for trial at the same time, and may frame all necessary 6 7 issues for the trial. (p) If any real property or any estate or interest, in which any minor or other person not 8 9 capable in law to act in his or her own behalf is interested, is taken under the provisions of this 10 chapter, the superior court, upon the filing of a petition by or in behalf of the minor or person or 11 by the agency, may appoint a guardian ad litem for the minor or other person. Guardians may, 12 with the advice and consent of the superior court, and upon any terms as the superior court may prescribe, release to the agency all claims for damages for the land of the minor or other person or 13 14 for any estate or interest. Any lawfully appointed, qualified, and acting guardian or other 15 fiduciary of the estate of any minor or other person, with the approval of the court of probate 16 within this state having jurisdiction to authorize the sale of lands and properties within this state of the minor or other person, may before the filing of any petition, agree with the minor or other 17 18 person for any taking of his or her real property or of his or her interest or estate, and may, upon 19 receiving the amount, release to the agency all claims for damages for the minor or other person 20 for the taking. 21 (q) In case any owner of or any person having an estate or interest in the real property 22 fails to file his or her petition, superior court for the county in which the real property is situated, 23 in its discretion, may permit the filing of the petition within one year subsequent to the year 24 following the time of the deposit in the superior court of the sum of money estimated to be just compensation for the property taken; provided, the person shall have had no actual knowledge of 25 26 the taking of the land in season to file the petition; and provided, no other person or persons 27 claiming to own the real property or estate or interest shall have been paid the value; and 28 provided, no judgment has been rendered against the agency for the payment of the value to any 29 other person or persons claiming to own the real estate. 30 (r) If any real property or any estate or interest is unclaimed or held by a person or 31 persons whose whereabouts are unknown, after making inquiry satisfactory to the superior court 32 for the county in which the real property lies, the agency, after the expiration of two (2) years 33 from the first publication of the copy of the vote, statement, description, and plat, may petition the 34 court that the value of the estate or interest of the unknown person or persons be determined.

notwithstanding § 9-21-10 of the general laws, shall be computed in accordance with either the

methodology set forth in § 37-6-23 or § 9-21-10, whichever produces the lower interest cost.

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1 After the notice by publication to any person or persons that the court in its discretion may order, 2 and after a hearing on the petition, the court shall fix the value of the estate or interest and shall 3 order the sum to be deposited in the registry of the court in a special account to accumulate for 4 the benefit of the person or persons, if any, entitled to it. The receipt of the clerk of the superior 5 court shall constitute a discharge of the agency from all liability in connection with the taking. When the person entitled to the money deposited shall have satisfied the superior court of his or 6 7 her right to receive that money, the court shall cause it to be paid over to him or her, with all 8 accumulations thereon. (s) The superior court shall have power to make any orders with respect to encumbrances, 9 10 liens, taxes, and other charges on the land, if any, as shall be just and equitable. 11 (t) Whenever, in the opinion of the agency, a substantial saving in the cost of acquiring 12 title can be effected by conveying other real property, title to which is in the agency, to the person 13 or persons from whom the estate or interest in real property is being purchased or taken, or by the 14 construction or improvement by the agency of any work or facility upon the remaining real 15 property of the person or persons from whom the estate or interest in real property is being purchased or taken, the agency shall be and hereby is authorized to convey that other real 16 17 property to the person or persons from whom the estate or interest in real property is being purchased or taken and to construct or improve any work or facility upon the remaining land of 18 19 the person or persons. 20 (u) At any time during the pendency of any proceedings for the assessment of damages 21 for property or interests taken or to be taken by eminent domain by the agency, or in any appeal 22 of any order entered in any such proceeding, the agency or any owner may apply to the court for 23 an order directing an owner or the agency, as the case may be, to show cause why further 24 proceedings should not be expedited, and the court may upon that application make an order 25 requiring that the hearings proceed and that any other steps be taken with all possible expedition. 26 (v) In the event that an owner of, or a person entitled to any estate or right in, or 27 interested in any part of, the real property taken (a "Petitioning Party"), files a petition with the 28 court challenging the amount that the agency had estimated to be just compensation for the 29 property taken (the "Estimated Value"), and the final judgment of the court, exclusive of 30 prejudgment interest, is an amount equal to or less than the Estimated Value, the Petitioning Party shall be required to pay the reasonable attorneys' fees and expenses incurred by the agency, and 31 32 the reasonable expert witness fees and expenses incurred by the agency, in defending the 33 Estimated Value. 34 (w) Chapter 64.12 of title 42 of the general laws shall not apply to property taken by

- 1 <u>eminent domain pursuant to this § 45-32-24.1.</u>
- 2 SECTION 5. The provisions of this act are severable, and if any of its provisions are held
- 3 unconstitutional or invalid for any reason by any court of competent jurisdiction, the decision of
- 4 the court shall not affect or impair any of the remaining provisions.
- 5 SECTION 6. This act shall take effect upon passage.



EXPLANATION

BY THE LEGISLATIVE COUNCIL

OF

AN ACT

RELATING TO TOWNS AND CITIES -- REDEVELOPMENT AGENCIES AND PROJECTS

- 1 This act would authorize the construction of a new ballpark in downtown Pawtucket, to
- 2 be financed by combined contributions from the Pawtucket Red Sox Baseball Club as well as

3 bonds to be issued by the Pawtucket Redevelopment Agency.

- 4
- This act would take effect upon passage.

H7290A-V5