

To: House Committee on Municipal Government and Housing  
By: email

Re: H 8006

Dear Chair Casey and members of the House Committee on Municipal Government and Housing,

I am writing to express my support for the proposed H 8006. This proposed legislation will provide an important clarification of the application of so called “8-law” tax treatment. The bill also provides an important new mechanism that will greatly support the redevelopment of vacant and underutilized commercial properties into much-needed new homes.

Armory Management Company (AMC) and its affiliated companies have over 35 years of residential and commercial development experience, including historic rehabilitation, adaptive reuse, and neighborhood-enhancing infill. We are actively working on several new residential projects, but unfortunately the projects that would otherwise qualify fall below the 10,000 square feet or 10 units threshold. If this threshold could be lowered to 4 or more units that would improve the feasibility of employing this provision in incremental neighborhood scale projects. Even if that change cannot be made, I still support this measure as a very effective way to stabilize development proformas and attract much needed capital for large-scale redevelopment projects, particularly for vacant office buildings, school, and nursing homes.

Opponents may balk at the idea of a “tax break” for (expensive) new development. However, in every financial model I have run to see how we could make use of the new provisions, it is quite clear that a redevelopment under this provision will *increase* municipal revenue compared to the status quo. For example, the distressed Turk’s Head building in Providence is assessed at \$11.295 million and pays approximately \$318,500 in property taxes per year. If the building we redeveloped as residential, the expected gross revenue would exceed \$9 million, resulting in approximately \$730,000 in taxes under H 8006’s formula, or more than twice as much.

This is a win, win, win, win. It builds more much-needed housing; it attracts much-needed capital; it creates numerous well-paying construction jobs; and it *increases* municipal tax revenue. I hope that you are able to move this bill into law expeditiously. Even if our firm is never able to use it’s provisions in our work, it is a tremendous benefit to the city and state.

Sincerely,



Seth Zeren  
Principal and VP for Development  
Armory Management Company