

Cosmopolitan Building (100 Fountain Street)

Historical:

The “Cosmopolitan Building” at 100 Fountain Street consists of 2 commercial condominiums and 12 residential condominiums. The original Tax Stabilization Agreement, which stabilized taxes through fiscal year 2013, was approved on April 25, 2002. The expiration date of the stabilized period was extended five years in 2010 by an action of the General Assembly (RIGL 44-3-31.2). The original TSA was approved, as stated in the ordinance, to “...increase in the tax base of the City and will increase residential apartments in the DownCity Arts & Entertainment District”, and “...to induce the development and construction of the apartments in the City.”

Using actual assessed valuations provided by the City Assessor for the past nine years (FY2008 through FY2016) and actual tax rates for the same period, full taxation for this property would have been \$1,076,997. Total taxes paid for this nine-year period was \$185,958. Therefore, \$891,039 in taxes (82.7% of full taxation) was stabilized.

The current extended period calls for annual total tax payments of \$20,662 and expires after fiscal 2017. If the property was fully taxed based upon the current assessed value and tax rates, the total annual tax would be \$106,641.

Total @ Full Taxation (FY2008-2016)	\$1,076,997
Total Taxes Paid w/ TSA (FY2008-2016)	\$185,958
Total Taxes Stabilized (FY2008-2016)	\$891,039
Percentage of Taxes Stabilized (FY2008-2016)	82.73%

Proposed Extension:

The proposed 5-year extension, which covers fiscal years 2018-2022, is structured that 57% of the total taxes due during the extension period are paid. Total taxes for the extension period – based upon current property assessments and tax rates – is projected to be \$303,928. Full taxation for the same time period would be \$533,207.

Ext. Yr. #1 FY2018 (25% - Paid)	Ext. Yr. #2 FY2019 (40% - Paid)	Ext. Yr. #3 FY2020 (55% - Paid)	Ext. Yr. #4 FY2021 (70% - Paid)	Ext. Yr. #5 FY2022 (95% - Paid)	Total Paid FY2018-2022	Full Tax for Extension Period (FY2018-2022) ¹
Steelwood Realty (100 Fountain Street)						
\$26,660	\$42,657	\$58,653	\$74,649	\$101,309	\$303,928	\$533,207
Total Taxes Abated					\$229,279	
Percentage of Full Tax Paid					57.00%	