



**DONALD R. GREBIEN  
MAYOR**



September 26, 2017

Honorable Members of the  
Senate Finance Committee  
State House  
Providence, Rhode Island 02903

Dear Honorable Members:

I want to first thank the committee for holding these hearings to make sure the public is engaged and informed. As elected officials, we have the responsibility to provide factual information through a transparent process. At the hearing on September 14 regarding the Ballpark at Slater Mill proposal, members had additional questions during and after our presentation, to which I am writing to follow up on and introduce as part of the record.

Questions arose regarding the financial condition of the city and its ability to pay the bonds. When the Grebien Administration first took office in January 2011, the City was under state observation heading to state takeover, facing a fourteen-million-dollar structural deficit and our bond ratings were dropping. Today, the City has built its reserves to \$12 million, stabilized its financial obligations, upgraded its bond rating three ranks to an A-, and attracted new businesses. The City is reinvesting in its infrastructure, beginning with its schools and roads. All while not raising taxes three of the last five years. We have consistently balanced the city's needs with its responsibility to provide the quality of life services. I have enclosed financial documentation as well as the audits for the last seven years to support the financial stability and capacity of the City. The PawSox are part of Rhode Island's fabric and this proposal is a revenue generator for both the City and the State.

It's important to stress the City's ability to cover the bond payments will be generated through the ancillary development around the new site which would not happen without this project. There were questions surrounding the tax revenue to the City from ancillary development in the first few years of the project while the ballpark is being constructed. We have members of the banking, financial, insurance, and real estate industries reviewing these aspects of the framework and options available to us that have been used in other private-public partnerships for entertainment venues. The advisory group has discussed capitalized interest, extending the tax incremental financing project area, and private placement of the bonds. Tax incremental financing (TIF) is a common tool used by local governments to finance capital projects in support of economic development and community assets by earmarking property tax revenue from increases in assessed values within a designated TIF district. While the proposal in front of the Senate Finance Committee deals specifically with the ballpark parcel and a few surrounding parcels, we know that new development will extend beyond that land across the downtown, or Growth District.

The Pawtucket Redevelopment Authority (PRA) has retained MuniCap, a nationally recognized public financing consultant to look at the feasibility of these options. At tonight's hearing the City will discuss our finances and these options in greater detail. Roger Lemoie, President of the PRA, and a member of the financial advisory group will also be present. The City will be able to meet its obligation not through new taxes on the residents or through existing state aid but through new revenue being generated within the growth district.

Specifically, in regard to development, there is \$147 million in construction projected on the Apex Properties and Division Street Property generating \$1.4 million annually in new property taxes. The amount of new taxes generated to support City's debt service on this project is significantly greater than the \$890,000 needed. The amount of new taxable development needed to support debt service on our bonds is \$42 million, which lends a significant buffer for staggered development. The City also owns the Division Street property, which is estimated to generate \$500,000 in new property taxes when developed. A member of the Pawtucket Red Sox's development group has also committed to 50,000 square feet of ancillary retail development around the ballpark. The City will be able to handle its responsibility.

I have been witness to an incredible amount of investment and redevelopment in the city within the arts district and in our mills across the city, including the Hope Artiste Village (investment of \$20 million), Slater Cotton Mill (investment of \$22 million), Riverfront Lofts (investment of \$15 million), and many others. I am confident, with the Brailsford & Dunleavy analysis to confirm, that this project will draw an unprecedented amount of development to downtown Pawtucket. The Ballpark at Slater Mill is not a standalone development; the Commuter Rail Station, breweries, Broad Street Regeneration, and bike path will continue to draw activity and support this investment.

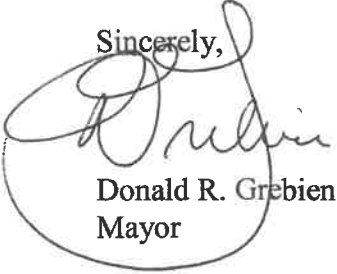
We must acknowledge, however, that the revitalization of Downtown Pawtucket is a work in progress. There are still many untapped opportunities for redevelopment and to generate additional revenues in our vacant buildings and vacant lots. Downtown Pawtucket has been identified in the City's plans as a "Growth Center", meaning that this is the section of the city that requires and deserves heightened attention and investment because of its importance and because of its challenges. The city is all-in and we are urging that the state to be all-in to support this urban district.

The site where the stadium is proposed has been a focal point of the City's redevelopment strategies since 1969. The "Apex Site" sits at the entrance to the Downtown, on the river's edge, prominently visible from Route 95. The City has always recognized that this property is the linchpin of the City's revitalization strategy. In fact, in 1969, the Pawtucket Redevelopment Authority acquired the site by eminent domain, cleared it and sold it to Apex for development as a retail center, which was a viable use for over 20 years. The City has addressed opportunities for this site in numerous plans over the last decade but it is clear that without public intervention and investment, there will not be the dramatic and transformative changes necessary for growth. The team has also acknowledged the great opportunity that this site presents. They have made the commitment that this will be a public, year round park with public access, green space and riverfront access. This model has dramatically changed the areas of Fort Wayne, Indiana and Columbia, South Carolina.

There were also questions surrounding the vision for downtown Pawtucket and the impact this new year-round Ballpark at Slater Mill will have on the future of the city of Pawtucket and the state of Rhode Island. I have enclosed studies and reports that the City and Pawtucket Foundation have commissioned which will support the request for the investment the State is being asked to commit to support the revitalization of the city of Pawtucket.

I appreciate your time and effort and look forward to making sure all your questions are answered throughout this process. Again, thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "D. Grebien", is written over a circular stamp. The signature is written in black ink and is somewhat stylized, with the first letter being a large, looped capital 'D'.

Donald R. Grebien  
Mayor