SENATE No. 2438 [LOCAL APPROVAL RECEIVED.]

The Commonwealth of Massachusetts

PRESENTED BY:

Richard R. Tisei

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act authorizing the city of Melrose to enter into a tax deferment agreement with Stone Place Limited Partnership.

PETITION OF:

	NAME:	DISTRICT/ADDRESS:		
Ī	Richard R. Tisei	Middlesex and Essex		
	Katherine Clark	32nd Middlesex		
•	Thomas M. McGee	Third Essex and Middlesex		

The Commonwealth of Alassachusetts

In the Year Two Thousand and Nine

An Act authorizing the city of Melrose to enter into a tax deferment agreement with Stone Place Limited Partnership.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Notwithstanding the requirements of sections 1 through 72 of chapter 44

of the General Laws, sections 1 through 94 of chapter 59 of the general laws, or any other

general or special law to the contrary, the City of Melrose, with the approval of its board of

- 4 assessors, is hereby authorized and empowered to enter into, and execute, a tax deferment
- 5 agreement, in substantially the same form as attached hereto, with Stone Place Limited
- 6 Partnership, a Massachusetts limited liability company with a usual place of business at 398
- 7 Columbus Avenue, Suite 293, Boston, Massachusetts 02116.

3

- 8 Said agreement shall provide, substantially, as follows:
- 9 (1) Stone Place Limited Partnership is about to undertake the restoration and conversion 10 of an old mill complex – wherein Phase 1 of this project will consist of 212 rental 11 apartment units – on a portion of the former Boston Rubber Shoe Factory site located 12 off of Washington Street and Pleasant Street within the City of Melrose, and with 13 addresses of 72 and 78 Stone Place, and 99R and 101 Washington Street. Phase 1 of

- the project will also consist of three new buildings including a club house, with a number of amenities therein for the benefit of the project's residents.

- (2) The City of Melrose and Stone Place Limited Partnership are desirous to enter into a tax deferment agreement wherein Stone Place Limited Partnership would be entitled to defer a portion of its real property tax liability on Phase 1 of the project. Said tax deferment period would commence upon completion of Phase 1, as evidenced by receipt of a final Certificate of Occupancy for the 212 units.
 - (3) The City of Melrose and Stone Place Limited Partnership agree that any deferred tax payments from Stone Place Limited Partnership shall be assessed interest at a rate of 4.5 percent per annum.
 - (4) Deferred tax payments, per unit, for Phase 1 of the project shall be made in accordance with the following tax deferment schedule:

	Est.	Proposed Per Unit	Estimated Per Unit	per Unit	per Unit	per Unit	per Unit	EstTotal
	Growth Rate	Tax Payment	Tax Payment	Delta	Cumulative	Interest	Defr Liability	Defr Lbty
Yr 1		\$1,500	\$2,000	(\$500)	(\$500)	\$0	(\$500)	(\$106,000)
Yr 2		\$1,600	\$2,050	(\$450)	(\$950)	(\$23)	(\$973)	(\$206,170)
Yr 3		\$1,700	\$2,101	(\$424)	(\$1,374)	(\$43)	(\$1,417)	(\$300,298)
Yr 4		\$1,800	\$2,154	(\$397)	(\$1,770)	(\$62)	(\$1,832)	(\$388,405)
Yr 5		\$1,900	\$2,208	(\$369)	(\$2,140)	(\$80)	(\$2,219)	(\$470,510)
Yr 6	7.32%	\$2,039	\$2,263	(\$303)	(\$2,443)	(\$96)	(\$2,539)	(\$538,352)
Yr 7	7.32%	\$2,188	\$2,319	(\$227)	(\$2,670)	(\$110)	(\$2,780)	(\$589,433)
Yr 8	7.32%	\$2,349	\$2,377	(\$139)	(\$2,809)	(\$120)	(\$2,929)	(\$621,011)
Yr 9	7.32%	\$2,521	\$2,437	(\$36)	(\$2,846)	(\$126)	(\$2,972)	(\$630,062)
Yr 10	7.32%	\$2,705	\$2,498	\$81	(\$2,765)	(\$128)	(\$2,893)	(\$613,256)
Yr 11	7.32%	\$2,903	\$2,560	\$215	(\$2,550)	(\$124)	(\$2,674)	(\$566,933)
Yr 12	7.32%	\$3,116	\$2,624	\$367	(\$2,183)	(\$115)	(\$2,298)	(\$487,072)
Yr 13	7.32%	\$3,344	\$2,690	\$539	(\$1,644)	(\$98)	(\$1,742)	(\$369,263)
Yr 14	7.32%	\$3,588	\$2,757	\$733	(\$910)	(\$74)	(\$984)	(\$208,670)
Yr 15	7.32%	\$3,851	\$2,826	\$951	\$41	(\$41)	\$0	\$0
Yr 16	(24.79%)	\$2,897	\$2,897	\$0				
Yr 17	2.50%	\$2,969	\$2,969	\$0				
Yr 18	2.50%	\$3,043	\$3,043	\$0				
Yr 19	2.50%	\$3,119	\$3,119	\$0				
Yr 20	2.50%	\$3,197	\$3,197	\$0				

28		Notwithstanding the aforementioned tax deferment schedule, Stone Place Limited
29		Partnership shall remain ultimately responsible for payment of its full per unit tax
30		assessment each year. In the event the actual per unit tax payment due the City of
31		Melrose from Stone Place Limited Partnership exceeds the proposed per unit tax
32		payment referenced above, the delta shall be deferred in accordance with this special
33		act and interest of 4.5 percent per annum will accrue, and will be compounded each
34		year.
35		
36	(5)	In the event Stone Place Limited Partnership transfers its interest in the project to a
37		successor third party owner, the terms of this deferment agreement shall apply to that
38		successor owner.
39		
40	(6)	Said tax deferment agreement shall terminate upon recording of a Condominium
41		Master Deed if the project is converted from rental apartment units to condominium
12		units.
13		
14	(7)	The aforementioned tax deferment agreement may be terminated upon payment of all

(7) The aforementioned tax deferment agreement may be terminated upon payment of all actual and deferred taxes, including any interest, by Stone Place Limited Partnership or successor owners of said project.

SECTION 2. In connection with the aforementioned tax deferment agreement entered into between the City of Melrose, with the approval of its board of assessors, and Stone Place Limited Partnership, or its nominee, the Melrose board of assessors shall forthwith cause to be recorded in the registry of deeds for Middlesex County a statement of their action which shall

constitute a lien upon the land covered by said tax deferment agreement for such taxes having been assessed under this special act, plus interest as hereinbefore provided. The statement shall name Stone Place Limited Partnership, as owner, and shall include a description of the land adequate for identification. Unless such a statement is recorded, the lien shall not be effective with respect to a bona fide purchaser or other transferee without actual knowledge of such lien. The filing fee for such statement shall be paid by the City of Melrose and shall be added to and become part of any taxes due from Stone Place Limited Partnership to the City of Melrose.

SECTION 3. In addition to the remedies provided for in the tax deferment agreement referenced herein, the recorded statement of the assessors provided for in this act shall have the same force and effect as a valid taking for nonpayment of taxes under section 53 of chapter 60 of the General Laws.

SECTION 4. This act shall take effect upon its passage.