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Qualified opportunity zones approved in East Providence - by Diane Feather

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Diane Feather, City
of East Providence

Governor Raimondo and the Rhode Island Commerce Corporation announced in late-May 2018 that all 25 areas submitted by the state for designation as “Qualified Opportunity Zones,” were approved by the U.S. Department of the Treasury and the Internal Revenue Service. The State of Rhode Island received the maximum number of U.S. Census Bureau Tract designations allowed. Included in the approved “Opportunity Zones” was East Providence Census Tract 104.

The 2017 Tax Cuts and Jobs Act established the federal “Opportunity Zones” program and allowed states to nominate tracts by low income in areas where the program is intended to spur investment through favorable capital gains treatment for investors who support eligible development projects.

Census Tract 104 is located just south of I-195, and is bounded on the west by the Providence River, and South Broadway, Brown St. and Brightridge Ave. on the east, and generally Watchemoket Cove on the south. CT 104 includes all land in the Bold Point and Veteran’s Memorial Parkway Waterfront sub-districts. The developments in the Kettle Point sub-district, notably the recently-opened University Orthopedics 90,000 s/f medical center, are located in the Census Tract directly abutting to the south. Consisting of 1.49 square miles, CT 104 also contains substantial land area and opportunities outside of the waterfront districts. East Providence waterfront commission chairman William Fazioli notes, “that the designation will only enhance the development prospects and will draw even further attention from investors who are attracted to the amenities, accessibility and proximity of the properties within the Waterfront District.”

As can be seen by the Census Tract 104 and vicinity reduced map, the location of CT 104 is immediately across the Washington Bridge connecting East Providence to Providence through I-195 and to Boston, Massachusetts a short distance north on I-95. The impact of the designation as an opportunity zone has potential for transformative investment of statewide and regional significance.

Major land owners of 90 contiguous acres in the southern waterfront include Chevron Land Development, P & W RR/G & W, and Tockwotton on the waterfront. In April 2018 Chevron Land Development announced the launch of the website “East Providence Harborfront at Bold Point,”

<http://eastprovidenceharborfront.com>. The website introduces a new collaborative effort of these major landowners to envision a future for the use of these properties. Sprague Terminals' Wilkes Barre Pier adjoins these properties. Also located in this area is state-owned land for future southward expansion of Waterfront Dr.

Future land uses being considered for the southern waterfront include mixed uses; arts, entertainment and hospitality uses; hotels, restaurants, retail and residential land use; terminals for small ships, ferries and water taxis, as well as boat repair.

Opportunity zones are new and guidance is being developed by the U.S. IRS. Investors interested in this program should review the program overview and frequently asked questions for opportunity zones on the IRS website at: <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>.

The opportunity zone designation of Census Tract 104 offers the potential for numerous benefits to all people who work, own businesses, live and recreate in East Providence and to the city, including an increase in jobs and jobs of higher wages, expanded tax base, catalyst for economic development city-wide, revitalization of the Warren Avenue corridor, transportation connectivity, and heightened city profile, among others. Ongoing proactive economic development with this new program could make this a win-win for investors, businesses, citizens and the city alike.

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