



Hope Artiste Village

999 – 1005 Main Street, Pawtucket RI

Approximately **250,000 net rentable square feet**

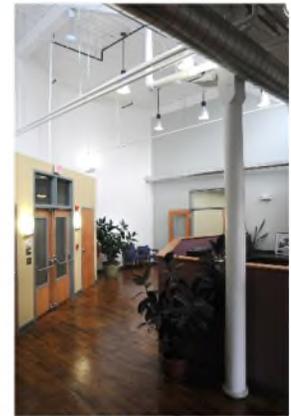
Easily accessible from I-95, on the main **RIPTA R-Line** with proximity to both downtown and the east side of Providence, it's uniquely situated to appeal to a wide variety of Rhode Islanders.

As cited by the Wall Street Journal, Hope Artiste Village has become a **destination for arts, entertainment, local food, and creative and enjoyable space**. Over **130 businesses** currently occupy space at Hope Artiste Village containing a wide variety of uses, including:

- Offices range from 300 to 7,500 square feet are occupied by a wide range of businesses including **technology consultants, industrial designers, and smaller startup businesses or offices**.



- Light Industrial units range from 1,000 to 3,000 square feet include such uses as a commissary (**Seven Stars Bakery**), coffee roasting (**New Harvest Coffee**), **fitness studios, metal and woodworking, art galleries** and the like.



- Retail and showroom space ranging from 300 to 1,000 square feet containing **interior, handbag, and other designers, artist studios, café and a violin maker**.



- Smaller art studios of approximately 400 square feet, which are affordably priced, have been widely successful and we continue expanding these as demand has been strong.
- More light industrial space is in process, which will complete the mixed use portion of the Village with anticipated occupancy Summer/Fall of 2016.

• **Farm Fresh Rhode Island**, an anchor tenant, also holds their hugely successful **Wintertime Farmers Market** with **70+ local farms** selling their products and attracting **2,000 to 3,000 patrons every Saturday** throughout the season (November through April)

- Topping it all off, Hope Artiste Village houses a **live music Venue (the Met, sister club to PVD's Lupus)**, **two restaurants, an event space, and an historic manual pin set duckpin bowling alley now BreakTime Bowl & Bar!**





Rental rates have and continue to rise making Hope Artiste Village a market leader in this type of mixed use development in the Providence/Metro area. Hope Artiste Village hosts between 300 and 600 people working, shopping and visiting on a daily basis.



Hope Artiste Village boasts a strong sense of community, making it a **year-round destination** for many.

Greystone Lofts



Greystone Lofts is a **residential conversion** of an abandoned textile mill in North Providence, RI completed by USG in December of 2008.

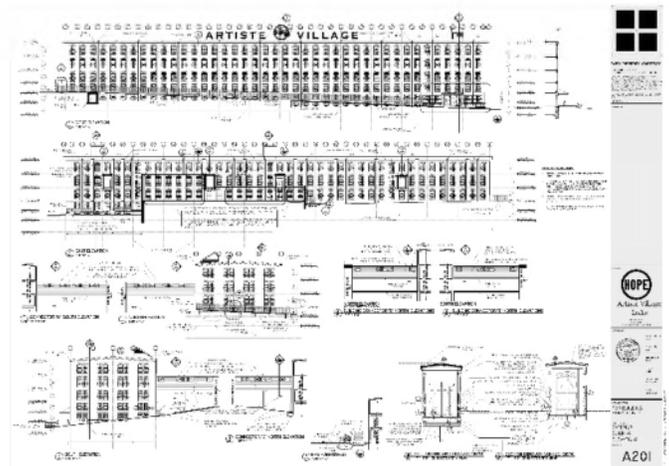
Comprised of **150 loft-style (open plan) units** and associated leasing/community and parking, it's a market leader in loft conversions in the area. Over the past year USG has **increased rents over 15% while maintaining a 3% vacancy rate**. The success of Greystone Lofts solidifies our position in the market and further justifies

our plans for the residential development at Hope Artiste Village. During the rent up period, we **offered the option to build walls** to create 1 and 2 bedroom units with traditional separation of space. Only 8 tenants opted for this. **Of the initial 8 only 6 units remain** while the others requested their unit to be returned to an open loft floorplan choosing to divide the space using furniture and other temporary partitions.

Residential Development @ Hope Artiste Village

The final phase of the decade long development of Hope Artiste Village is the residential conversion of the preparing mill along Esten Avenue. With the **high visibility of Interstate 95** and the **sense of place** already established with the Commercial/Mixed Use development in the front buildings of Hope Artiste Village, we expect this project to be **more successful** than the Greystone Lofts residential conversion.

We will create **149 loft-style (open plan) units** on 5 stories ranging in size between 500 and 1,400 square feet. These unit styles will allow **flexible living space** configurations appealing to a wide variety of renters, from millennials to empty nesters, and everyone in between.



Hope Artiste Village

Residential Development

The entire Hope Artiste Village mill complex is located along the west side of Main Street, the south side of Warren Avenue, the north side of Dudley Street, and the east and west side of Esten Avenue, in the City of Pawtucket, county of Providence, state of Rhode Island. The site area on the west side of Esten Avenue abuts the Moshassuck River and the east side of the Interstate 95 highway. The mill complex also includes four additional small parcels, two at the southeast corner of Warren Avenue and Main Street (across Main Street from the Mixed Use frontage of HAV) and two at the southwest corner of Dudley Street and Campbell Terrace adjacent to the main mill complex.



The entire mill property (including the proposed residential 5-story structure) is situated on a 12.22-acre site that includes the 7.03-acre improved mill parcel, 4.64 acres in three parking lot parcels on the west side of Esten Avenue, and two small parking lot parcels containing a total of 0.55 acres. The land on the west side of Esten Avenue was improved by the current owner several years ago with a new 396-space paved surface parking lot. In aggregate, the mill complex will have 550-600 parking spaces. The parking for the proposed 149 apartments will be in the paved 396-space Esten Avenue lot.

The residential development of Hope Artiste Village is planned for the east side of Esten Avenue in the vacant 5-story structure, and proposes 149 loft style apartment units. The site area on the west side of Esten Avenue is a paved parking lot that serves as the primary parking area for the proposed apartments and also serves as a secondary parking area for the commercial/industrial improvements which front Main Street and the two side streets.

The mill complex consists of a single and multi-story brick mill complex originally constructed circa 1900. Historic users of the mills include Hope Webbing Mills (textile), a candy manufacturer (School House Candy) and a plastics company. The mill includes two multi-story structures as well as four long single-story buildings (known as Weave Sheds #1, 2, 7, and 8) situated between the taller structures. A two to three-story structure (Finishing Mill) is located alongside Main Street and a 5-story structure (Preparing Mill – The proposed residential/apartment development) is situated facing I-95.



The Preparing Mill (proposed residential development) is a 187,335 gross SF 5-story heavy timber and brick mill structure. The building is permitted to be renovated into 149 residential apartments containing a total of 138,870 SF of net rentable area, an average of 932 SF average per unit. The project will also include 52 storage units for tenants in the lower floors of the building that are below grade on one side of the structure.

The apartment renovation (proposed apartments) is approved for Federal (20% of QRE) and State (25% of QRE) Historic Tax Credits. The commercial/industrial component was also approved for these historic renovation tax credits, and both State and Federal HTC's have been awarded on the previous phases, the commercial/industrial development of Hope Artiste Village.

Particulars of the deal:

- Historic rehabilitation of the 5-story preparing mill into 149 residential units
- Building SF of 187,335 with a net rentable 138,870 SF
- Santander Bank, NA committed to provide \$18,500,000 in construction lending
- David Presbrey Architects, Architect of Record
- Garcia Galuska & De Sousa, MEP Engineers of Record
- DiPrete Engineering, Civil Engineer of Record
- Metric Construction Corporation, General Contractor
 - Construction budget of \$27,553,337
 - Construction timeline of 18 months
- Total QRE's anticipated for the project of \$40,554,922
- Rebuild Rhode Island Tax Credits awarded in the amount of \$3,569,657 with an additional sales tax rebate for all construction materials and fixtures purchased for the project
- State Historic Tax Credits (original program) contracted with the State (sunset clause exceeded – fully vested) for a total remaining \$26,147,926 QRE's available for this project
- 10 year real estate tax stabilization agreement obtained with the City of Pawtucket
- Stabilized NOI of \$2,196,373 is projected
- Connected via pedestrian walkways to the highly successful Hope Artiste Village mixed use – commercial/industrial development
 - Over 135 mixed use tenants, ranging from 300 SF art studios to 7,500 SF office users
 - Brick Oven on Main restaurant, the MET concert club, BreakTime Bowl & Bar, and many other businesses and amenities included
 - Home of the Farm Fresh RI Wintertime Farmers Market, held from November to May and attracts over 3,000 patrons every Saturday morning in those months



UNITED STATES DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

OMB Approved
No. 1024-0009
Form 10-168
Rev. 2014

**HISTORIC PRESERVATION CERTIFICATION APPLICATION
AMENDMENT / ADVISORY DETERMINATION**

NPS Project Number 18632

Instructions: This page must bear the applicant's original signature and must be dated.

1. Property name Hope Webbing Company
Property address 999-1005 Main Street

2. This form includes additional information requested by NPS for an application currently on hold.
 updates applicant or contact information.
 amends a previously submitted Part 1 Part 2 Part 3 application.
 requests an advisory determination that phase _____ of _____ phases of this rehabilitation project meets the Secretary of the Interior's Standards for Rehabilitation. Phase completion date _____
Estimated rehabilitation costs of phase (QRE) _____

Summarize information here; continue on following page if necessary.

This Part 2 Amendment pertains to Phases 1-3 of the project, and removing former Phases 4 and 5, as outlined in correspondence: Urban Smart Growth/Hope Artiste Village LLC (USG) Letter to National Park Service (NPS) dated March 22, 2017 and Attachment, and NPS Letter to USG dated April 20, 2017.

Copies of this correspondence and a Phasing Statement, May 2017 are attached to this Amendment.

3. Project Contact (if different from applicant)
Name Michael Gazdacko Company Hope Artiste Village, LLC
Street 1005 Main Street City Pawtucket State RI
Zip 02860 Telephone (401) 722-0752 Email Address Michaelg@urbansmartgrowth.net

4. Applicant
I hereby attest that the information I have provided is, to the best of my knowledge, correct. I further attest that [check one or both boxes, as applicable] (1) I am the owner of the above-described property within the meaning of "owner" set forth in 36 CFR § 67.2 (2011), and/or (2) if I am not the fee simple owner of the above-described property, the fee simple owner is aware of the action I am taking relative to this application and has no objection, as noted in a written statement from the owner, a copy of which (i) either is attached to this application form and incorporated herein, or has been previously submitted, and (ii) meets the requirements of 36 CFR § 67.3(a)(1) (2011). For purposes of this attestation, the singular shall include the plural wherever appropriate. I understand that knowing and willful falsification of factual representations in this application may subject me to fines and imprisonment under 18 U.S.C. § 1001, which, under certain circumstances, provides for imprisonment of up to 8 years.
Name Lance J. Robbins Signature [Signature] Date 07/22/17
Applicant Entity Hope Artiste Village, LLC SSN _____ or TIN 20249868
Street 999-1005 Main Street City Pawtucket State RI
Zip 02860 Telephone (401) 722-0752 Email Address lancer@urbansmartgrowth.net
 Applicant, SSN, or TIN has changed since previously submitted application.

NPS Official Use Only

The National Park Service has reviewed this amendment to the Historic Preservation Certification Application and has determined that the amendment:

- meets the Secretary of the Interior's Standards for Rehabilitation.
- will meet the Secretary of the Interior's Standard for Rehabilitation if the attached conditions are met.
- does not meet the Secretary of the Interior's Standards for Rehabilitation.
- updates the information on file and does not affect the certification.

Advisory Determinations:

- The National Park Service has determined that the work completed in this phase is consistent with the Secretary of the Interior's Standards for Rehabilitation. This determination is advisory only. A formal certification of rehabilitation can be issued only after all rehabilitation work and any associated site work or new construction have been completed. This approval could be superseded if it is found that the overall rehabilitation does not meet the Secretary's Standards. A copy of this form will be provided to the Internal Revenue Service.

Date _____ National Park Service Authorized Signature _____

NPS conditions or comments attached

**HISTORIC PRESERVATION CERTIFICATION APPLICATION
AMENDMENT / ADVISORY DETERMINATION**

Property name Hope Webbing Company

NPS Project Number 18632

Property address 999-1005 Main Street, Pawtucket, RI

**Hope Webbing Company, Pawtucket, Rhode Island
HPCA PHASING STATEMENT
Updated May 2017**

Phase 1 (January 2006 to December 2006, HPCA Part 3 Application submitted August 2007) included the renovation of the existing partitioned office spaces in the southern half of the second floor of the Finishing Mill and conversion of approximately 35% of the vacant space; consisting of Units 707-714, 101-103, and their respective courtyard entries in Weave Shed Nos. 1 and 7 to studio and light industrial use. Estimated costs attributed solely to rehabilitation of the historic structures were \$3,259,359.

Completed December 2006

State Approval 9/10/2007

Federal Approval 9/17/2007

Phase 2 (January 2007 to December 2007, HPCA Application submitted May 2008) included partial rehabilitation of the Finishing Mill, Weave Shed Nos. 1, 2, 7, and 8, and Building 5. Work completed in the Finishing Mill consisted of the renovation of the 1005 Main Street stair tower interior on the basement and first floor levels, the conversion of first floor units 1112A-C to restaurant space, the conversion of units 1101-1111 in the basement and first floor to live/work spaces, the renovation of existing first, second, and third floor bathrooms in the north half of the building, and the renovation of existing office units 1220, 1224, and 1226 and their adjoining hallway in the north half of the building's second floor. Vacant space and corresponding corridor entrances in Weave Shed No. 1, units 104-113, and Weave Shed No. 7, unit 706, totaling approximately 30% of the available space in these buildings, were converted to studio and light industrial use. The Weave Shed No. 2 monitor soffit, window sash, and window surrounds were restored. Vacant space in Weave Shed Nos. 2 and 8, totaling approximately 15% of the available space and including units 2101-2108, 2201, 2204, 2221, 2225, 2230, 2250, and 8215 and their corresponding corridor entrances, was converted to retail and commercial use. New circulation areas including the transverse hallway connecting the east ends of Weave Shed Nos. 2 and 8, the central hallway and Hallway B in Weave Shed 2, and Hallways C and B in Weave Shed No. 8; were constructed or renovated. Vacant space in Building 5 was converted to commercial space. Estimated costs attributed solely to the rehabilitation of the historic structure were \$12,985,667.

Completed December 2007

State Approval 6/3/2008

Federal Approval 4/20/2009

Phase 3 (January 1, 2008 to December 31, 2008, HPCA Application submitted September 2009). A Part 3 Partial Phase Completion Report for Phase 3 of the project was submitted in September 2009 for Phase 3 work completed as of December 31, 2008. The partial completion consisted of partial rehabilitation of the Finishing Mill, Weave Shed Nos. 1, 2, 7, and 8, and Building 5 (indicated as shaded areas on the Part 3 photo keys). Work completed in the Finishing Mill consisted of the conversion of first floor unit 1113 to restaurant space, the conversion of units 1221, 1223, and 1225 on the second floor to office space, and the construction of the north stair tower in the building's northwest corner. Hallway A and its area of refuge between the Finishing Mill and Weave Shed 1 were rehabilitated. Vacant space and corresponding corridor entrances in Weave Shed No. 1, unit 116, and Weave Shed No. 7, units 701-705 and 711B, totaling approximately 35% of the available space in these buildings, were converted to studio and light industrial use. Vacant space in Weave Shed Nos. 2 and 8, totaling approximately 30% of the available space and including units 2117, 2118, 2130, 2205, 2219, 2222, 2224, 2228, 2233, 8101, 8116, 8120 (including a new staircase and basement storage room), and their corresponding corridor entrances, was converted to retail and commercial use. New circulation and utility areas in Weave Shed 8 were constructed, including the central hallway, east basement stair, basement corridors, and two basement electrical rooms. Estimated Federal qualified rehabilitation expenditures attributed solely to the partial rehabilitation of the historic structure were \$9,320,377.

Completed December 2008

State Approval 11/23/2009

Federal Approval – 1/5/2010, Positive verbal advisory to RISHPO; requested updated Phasing Statement, sent 10/2/2015

Federal Approval of Part 3 Phase 3 and Updated Phasing Statement 2/10/16

Hope Artiste Village LLC
c/o Urban Smart Growth
1005 Main Street, Suite 1220
Pawtucket, RI 02860

March 22, 2017

Brian Goeken, Chief
Technical Preservation Services
National Park Service
1849 C Street, NW (org 2255)
Washington, DC 20240

RE: Hope Webbing Company (aka Hope Artiste Village)
Pawtucket, Rhode Island
NPS No. 18632

Dear Mr. Goeken:

I am writing about the Hope Webbing Company Project, NPS No. 18632 (the “Hope Webbing Project”), and the application of the National Park Service’s (NPS) guidance issued in December 2016 entitled *Functionally Related Buildings – Additional Guidance for Multiple Building Projects* (the “Guidance”). As discussed below, this is a multiple-phase, multiple building project, and we believe that our facts are consistent with the tests of the Guidance, and therefore justify the issuance of a Part 3 for Phases 1 through 3 of the Hope Webbing Project, all of which were completed more than five years ago.

Preliminary Consultation. We acknowledge that the Guidance observes that the NPS “strongly encourages that project owners have a “preliminary consultation” with the State Historic Preservation Office (“SHPO”) prior to submitting a Part 1 application. However, in this case, the Part 1 was submitted back in 2006, so it is not possible for us to request guidance prior to submitting Part 1. Nonetheless, we met with staff of the Rhode Island Historical Preservation & Heritage Commission/Rhode Island SHPO on February 14, 2017 to review and discuss our circumstances and request, and they concur that contacting the NPS is the appropriate next step.

Description of the Project. Hope Webbing is a historic brick textile mill complex of multiple functionally related buildings associated with the historical development of the property during its period of significance from 1889 to 1955. It was listed in the National Register of Historic Places in 2006.

The entire Hope Webbing multi-phase project received Part 1 and Part 2 applications approval from NPS on September 8, 2006. Project Phases 1, 2, and 3 involving rehabilitation of the Finishing Building (Building 4)/Weave Sheds block, also referred to as the “Main Mill,” for commercial use received partial Part 3 completion approval in 2007, 2009, and 2016, respectively. Phase 4 is ongoing and will be submitted as a separate project with Phase 5. Please see attached activity log on this project to better understand the progression and timeframe.

Phase 5, which is a separate building, the Preparing Mill, is planned for residential use. However, due to the downturn in the housing market starting in 2008, this project phase has been delayed. In fact, no work has occurred on the Hope Webbing project for a period of more than two years.

Application of the Guidance. We respectfully observe that the facts of the Hope Webbing Project are extremely similar to Example 2 in the Guidance. Like Example 2, work on several of the buildings has

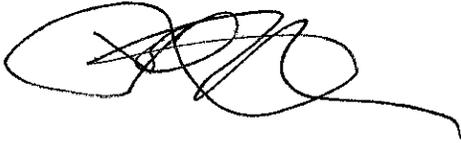
been completed, and further work had stalled because of a weak market. The real estate crisis of 2008 unexpectedly necessitated a significant break due to the project being stalled from a weak housing market. Finally, in 2016, based on an improved residential real estate market, Hope Artiste Village LLC filed an amended Part 2 application for the Preparing Mill work, with an updated Phasing Statement, which the NPS approved in December 2016. However, our inability to receive Part 3 for Phases 1 through 3 for such an extended period has made it difficult for us to raise the required tax credit equity to undertake and complete the remaining Phases.

Hope Artiste Village LLC's intention has been, and our business model continues to be, to complete the Hope Webbing project with a rehabilitation of the full mill complex that meets the Secretary of the Interior's Standards for Rehabilitation and to receive the federal tax credit.

Our Request. Given the long gap between work phases and the extended timing of the Hope Webbing Project, we request a Part 3 certification for Phases 1 through 3, so that (like Example 2) we can begin a new, separate project for the Phase 5, i.e., the Preparing Mill residential rehabilitation.

Thanks very much for your attention to this request. We look forward to working with you and the SHPO to complete this project with the full rehabilitation under the historic tax credit program as originally planned.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lance J. Robbins', with a long horizontal flourish extending to the right.

Lance J. Robbins
Manager
Hope Artiste Village LLC

cc: Edward F. Sanderson, RISHPO

- ATTACHMENTS

HOPE WEBBING HISTORIC TAX CREDIT LOG

DATE	ACTION
FIRST SUBMITTAL OVERALL and PHASE I (January 2006 to December 2006) Finishing Mill, and Weave Sheds 1 and 7	
2005	NR Nomination submittal
4/19/2006	Hope Webbing Listed in the National Register of Historic Places
5/25/2006	Part 1 - State Approval
5/25/2006	Part 2 - State Approval with Conditions
6/22/2006	Part 2 Amendment submittal RIHPHC
7/14/2006	RIHPHC transmits Part 2 to NPS
8/3/2006	Revised Phasing Statement submittal
9/8/2006	Part 1 - Federal Approval
9/8/2006	Part 2 - Federal Approval with Conditions
6/12/2006	Phase 1 Part 2 Amendment Submittal
10/13/2006	Phase 1 Part 2 Amendment - Federal Approval
10/18/2006	Phase 1 Part 2 Amendment - State Approval
8/27/2007	Phase 1 Part 3 Submittal
9/10/2007	Phase I Part 3 - State Approval
2007-2008	Phase I Part 3 - Federal Approval
PHASE 2 (January 2007 to December 2007) Finishing Mill, Weave Shed Nos. 1, 2, 7, and 8, and Building 5 Units	
2008	Phase 2 Part 2 Amendments and State Approvals
4/20/2009	Phase 2 Part 2 Amendment - Federal Approval
5/14/2008	Phase 2 Part 3 Submittal
6/3/2008	Phase 2 Part 3 - State Approval
4/20/2009	Phase 2 Part 3 -Federal Approval

PHASE 3 (January 1, 2008 to December 31, 2008) Finishing Mill, Weave Shed Nos. 1, 2, 7, and 8, and Building 5 Units

9/30/2009	Phase 3 Part 3 State and Federal Submittal
11/23/2009	Phase 3 Part 3 - State Approval
10/2/2015	Phase 3 Part 2 Amendment First Updated Phasing Statement Submittal
2/10/2016	Phase 3 Part 2 Amendment First Updated Phasing Statement Jan 2016 - State and Federal Approval
2/10/2016	Phase 3 Part 2 Amendment - Federal Approval

PHASE 4 (January 2009 to December 2014, or possibly December 2018) Weave Shed Nos. 1, 2, 7, and 8

2016	Continuation of work on Phase 4 Part 3, for submission under separate project
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PHASE 5 (January 2015 to December 2018) Preparing Mill

1/21/2016	Phase 5 Part 2 Amendment State and Federal Submittal
12/5/2016	Phase 5 Part 2 Amendment State Approval
12/13/2016	Second Updated Phasing Statement Nov 2016 Amendment Submittal
12/21/2016	Phase 5 Part 2 Amendment Federal Approval with conditions



United States Department of the Interior

NATIONAL PARK SERVICE

1849 C Street, N.W.
Washington, DC 20240

April 20, 2017

Lance J. Robbins, Manager
Hope Artiste Village LLC
c/o Urban Smart Growth
1005 Main Street, Suite 1220
Pawtucket, RI 02860

RE: HOPE Webbing Company (Aka Hope Artiste Village), Pawtucket, RI
Project: 18632

Dear Mr. Robbins,

I am writing in response to your letter to Brian Goeken, Chief of Technical Preservation Services requesting that the Hope Artiste Village project be given a Part 3 certification encompassing phases 1 through 3. Under the facts and circumstances you present, we believe this request is a reasonable one. You will therefore need to submit a Part 2 amendment with this supporting information to take phases 4-5 out of the project and a Part 3 application for phases 1-3. These two documents should be submitted at the same time.

Separately, you will need to submit a new Part 1 and Part 2 for phases 4 and 5. This information should be submitted to this office through the Rhode Island State Historic Preservation Office.

If you have any questions, please contact the State Historic Preservation Office or me at 202-354-2053.

Sincerely,

Kaaren Staveteig
Technical Preservation Services

cc: Edward Sanderson, RISHPO
Virginia Hesse, RISHPO
Brian Goeken, TPS

Hope Artiste Village LLC
c/o Urban Smart Growth
1005 Main Street, Suite 1220
Pawtucket, RI 02860

March 22, 2017

Brian Goeken, Chief
Technical Preservation Services
National Park Service
1849 C Street, NW (org 2255)
Washington, DC 20240

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Pawtucket, Rhode Island
NPS No. 18632

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Preliminary Consultation. We acknowledge that the Guidance observes that the NPS “strongly encourages that project owners have a “preliminary consultation” with the State Historic Preservation Office (“SHPO”) prior to submitting a Part 1 application. However, in this case, the Part 1 was submitted back in 2006, so it is not possible for us to request guidance prior to submitting Part 1. Nonetheless, we met with staff of the Rhode Island Historical Preservation & Heritage Commission/Rhode Island SHPO on February 14, 2017 to review and discuss our circumstances and request, and they concur that contacting the NPS is the appropriate next step.

Description of the Project. Hope Webbing is a historic brick textile mill complex of multiple functionally related buildings associated with the historical development of the property during its period of significance from 1889 to 1955. It was listed in the National Register of Historic Places in 2006.

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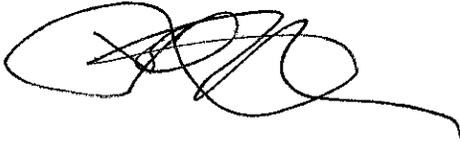
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Thanks very much for your attention to this request. We look forward to working with you and the SHPO to complete this project with the full rehabilitation under the historic tax credit program as originally planned.

Sincerely,

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Lance J. Robbins
Manager
Hope Artiste Village LLC

cc: Edward F. Sanderson, RISHPO

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PHASE 3 (January 1, 2008 to December 31, 2008) Finishing Mill, Weave Shed Nos. 1, 2, 7, and 8, and Building 5 Units

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April 20, 2017

Lance J. Robbins, Manager
Hope Artiste Village LLC
c/o Urban Smart Growth
1005 Main Street, Suite 1220
Pawtucket, RI 02860

RE: HOPE Webbing Company (Aka Hope Artiste Village), Pawtucket, RI
Project: 18632

Dear Mr. Robbins,

I am writing in response to your letter to Brian Goeken, Chief of Technical Preservation Services requesting that the Hope Artiste Village project be given a Part 3 certification encompassing phases 1 through 3. Under the facts and circumstances you present, we believe this request is a reasonable one. You will therefore need to submit a Part 2 amendment with this supporting information to take phases 4-5 out of the project and a Part 3 application for phases 1-3. These two documents should be submitted at the same time.

Separately, you will need to submit a new Part 1 and Part 2 for phases 4 and 5. This information should be submitted to this office through the Rhode Island State Historic Preservation Office.

If you have any questions, please contact the State Historic Preservation Office or me at 202-354-2053.

Sincerely,

Kaaren Staveteig
Technical Preservation Services

cc: Edward Sanderson, RISHPO
Virginia Hesse, RISHPO
Brian Goeken, TPS



Historic Preservation Tax Incentives Program

Technical Preservation Services
National Park Service

Functionally Related Buildings – Additional Guidance for Multiple-Building Projects

Introduction

Under the National Park Service (NPS) [regulations](#) (36 CFR 67.4(e) and 36 CFR 67.6(b)(4)-(5)), historic buildings that are determined to be “functionally related historically” are treated as a “single certified historic structure” for the purposes of certification when rehabilitated as part of an overall project. Certification of a completed rehabilitation for such a group of buildings is “issued on the merits of the overall project rather than for each structure or individual component.”

A determination of whether a project includes buildings functionally related historically is made by the NPS on a case-by-case basis, dependent on the specific facts and circumstances of the rehabilitation project. NPS [guidance on functionally related structures](#) identifies the criteria to be used to make such determinations as well as a lengthy list of property types and examples—such as a mill complex, a campus of institutional buildings, a military base, a public housing complex, a farm, or a residence with a carriage house.

Buildings that are functionally related historically are treated as one project for the purposes of certification, consistent with these regulations. Buildings owned by different legal entities may still be considered part of one overall rehabilitation project dependent on their beneficial ownership and control, as well as other facts and circumstances. Buildings owned by an unrelated party would generally be treated as a separate project.

In the many years since the establishment of the tax incentives program, the NPS has reviewed thousands of rehabilitation projects involving buildings functionally related historically throughout the country. Treating these multiple-building complexes as one project for the purposes of certification not only ensures that the historic character of the property is retained and preserved as part of the project, but also allows for additional flexibility in the review of such projects—as certification is based on the “[cumulative effect](#)” of the overall project, rather than on each building individually.

“Cumulative effect” when applied to multiple-building projects provides added flexibility, including some demolition, in limited circumstances, as identified in 36 CFR 67.6(b)(5). In these cases, work to an individual building that does not meet the Secretary of the Interior’s Standards for Rehabilitation, and would otherwise cause that individual building rehabilitation to not be certified, may still be certified for historic tax credit purposes as part of an overall project that meets the Standards.

Adapting and rehabilitating complexes of historic buildings can be challenging. Treating such complexes as one project for the purposes of certification allows flexibility in preserving the historic character of the overall property while still allowing the changes necessary to convert the buildings to a new use and the entire project to qualify for the tax credits. Without this flexibility for multiple-building complexes, historic buildings would likely be demolished or insensitively altered, and the rehabilitations of individual buildings otherwise part of a larger overall project to rehabilitate the property could be denied certification. Such demolition and insensitive alterations could also trigger revocation of certification and/or jeopardize the continued National Register-eligibility of multiple-building properties in some cases.

When Buildings Functionally Related Historically May be Treated as Separate Projects

The rehabilitation of buildings that are functionally related historically and in common or related beneficial ownership is generally treated as one project for the purposes of certification, and these buildings are certified by the NPS as one project after the rehabilitation of the final building in the project is completed. However, there are some limited instances as described below when the rehabilitation of such buildings may be treated as separate projects for the purposes of certification.

A determination by the NPS that the rehabilitation of functionally related buildings may be treated as separate projects is generally made at the beginning of the overall project and is based on the facts and circumstances of the overall project relative to this guidance and the provided examples. This guidance also assumes that the entire property in common or related beneficial ownership will be rehabilitated as a certified rehabilitation project or projects and that the effect on the property's overall historic character would be no different whether rehabilitated as one or more separate projects.

When treated as separate projects, the certification of each project will be issued independently of one another, with each project required to meet the Standards on its own merits to be certified (i.e., not based on the cumulative effect of all the work proposed to the entire property). Any other work undertaken on the property during or within five years of completion of any individual rehabilitation project, even if such work is part of a separate rehabilitation project, would still need to be submitted for review by the NPS and could affect the certification of other prior, current, or planned projects. As with any rehabilitation project, a certification may be revoked within five years of completion of the project for work not undertaken as represented by the owner in the Part 3 application or for work undertaken after certification that is inconsistent with the Standards (36 CFR 67.6(e)). Additionally, a property that is determined to have lost the qualities for National Register listing may be de-listed, and a building that is determined to have lost the qualities to be designated a certified historic structure may be certified as non-contributing (36 CFR 67.6(f)).

Owners of buildings functionally related historically must include with their Part 1 applications a site plan showing all the buildings and ownership information for the entire historic property, whether or not in common or related beneficial ownership. For those buildings in common or related beneficial ownership, the applications must also include exterior and interior photographs of the buildings (whether or not work is proposed to the individual building), the timing of the work for each building (i.e., the estimated start and completion dates), and other such material identifying the facts and circumstances (e.g., the construction dates and historic uses of the individual buildings) as they may relate to this guidance and the specific examples below.

The NPS strongly encourages that projects for which this guidance may be applicable be discussed with the State Historic Preservation Office (SHPO) on a preliminary consultation basis prior to submitting a Part 1 application so that the SHPO can advise the owner and discuss the project with the NPS if necessary. The information identified in the preceding paragraph should be provided to the SHPO for a preliminary consultation.

If this guidance is applicable to the project, the owner must elect whether to submit the proposed rehabilitation as one or multiple projects at the start of the rehabilitation. This guidance cannot be applied retroactively. An owner cannot assume that the proposed rehabilitation of a multiple-building complex will be treated as separate projects for the purpose of certification based on this guidance. Such decisions will be based on the specific facts and circumstances of the individual project and are solely at the determination of the NPS in its review of the project's Part 1 and 2 applications.

The examples accompanying this guidance are meant to be read and applied in toto, as the applicability of one or more examples to the facts and circumstances of any individual project will vary. Some of the examples are dependent on meeting a planned minimum “gap” period between separate projects during which no rehabilitation work is occurring on the property. It is the owner’s responsibility to ensure that each project’s scope and timing are undertaken consistent with this guidance and the Part 1 and 2 applications as approved; otherwise, this guidance may not apply to the project, including whether a project continues to qualify as a separate project for the purposes of certification. Separate rehabilitation projects must meet the Standards on their own merits and cannot take into account the cumulative effect of prior or other work undertaken as separate certified projects. When unforeseen circumstances arise involving a project (such as unanticipated market or financing conditions illustrated in the examples below that has already received a Part 2 decision by the NPS), any request to change the scope of the project should be made in an amendment to the Part 2 application.

A “Gap” Between Projects

Functionally related buildings in common or related beneficial ownership rehabilitated as part of a larger overall project may be treated as separate projects for the purposes of certification when there is a substantial break in rehabilitation activity—i.e., a minimum period of one year during which no rehabilitation work is occurring on the property.

Example 1. Six buildings of a ten-building historic factory complex are proposed to be rehabilitated and two new buildings constructed on the property over a three-year period (Years 1 to 3). The rehabilitation of the remaining four buildings is planned to commence one year later (Year 5). No work will be occurring on the property in Year 4. The first group of six historic buildings, the new construction, and any other work proposed for the property in Years 1 to 3 may be submitted as one rehabilitation project, and a Part 3 certification issued after completion of the project. The rehabilitation of the other four buildings and any other work to then occur to the property in Years 5 and later would be submitted as a separate rehabilitation project, with new Part 1 and 2 applications and a new project number. The second project would receive a separate Part 3 certification, provided that there was a minimum period of one year between the completion of the first project and the start of the second during which no rehabilitation work occurred on the property. If the work that is part of the later project does not meet the Standards, it could impact the certification of the first project since the work is occurring within five years of completion of the first project.

Example 2. A mill complex of eight buildings being rehabilitated for housing received a Part 2 approval. Five buildings were completed before the project stalled because of a weak housing market, and work on the other three buildings had not begun. Eight months after the completion of the first five buildings, the owner requested a Part 3 certification for the project, indicating that work on the remaining three buildings was not scheduled to begin for another 6 months (thus, a 14-month break in any rehabilitation activity occurring on the property). The NPS could issue a Part 3 certification for the five buildings, and the remaining three buildings could be treated as a new, separate project (new Part 1 and 2 applications would need to be submitted and a new project number assigned). When the rehabilitation of the remaining three buildings is completed, a separate Part 3 certification could be issued. As separate projects, both projects would have to meet the Standards independent of the other to be certified (i.e., not based on the cumulative effect of the work to all eight buildings).

Example 3. Abatement work was completed on a project of five functionally-related historic buildings and included the removal of ceilings that were located only on the ground floor of each building and were character-defining features of what historically were finished spaces. The

rehabilitation of three of the buildings was completed in accordance with the Standards when the owner encountered financial problems and decided not to undertake the rehabilitation of the remaining two buildings. The owner submitted a Part 2 amendment to change the scope of the project along with a Part 3 certification request—but was informed by the NPS that historically compatible new ceilings would need to be re-installed in the two buildings where work was begun, but had not proceeded, before the NPS could certify the project. The owner would have to complete this remedial work in order for the project to be certified. If the ceilings had not been character-defining and the spaces unfinished historically, no additional work would have been required for Part 3 certification.

Large and Diverse Historic Properties

The separate guidance developed for [Very Large and Diverse Properties Listed in the National Register as Historic Districts](#) may also be applied to other large functionally-related complexes where certain structures, sites, and environments functioned in effect as separate properties; and for which structures, sites, and environments are considered to have been “functionally related historically” in a geographically distinct usage-related grouping.

While the number of buildings alone is not a sole determinant for this guidance to be applicable, such complexes would typically have a large number of buildings, and ones serving different and diverse uses (i.e., a large and diverse property), for this specific guidance to be applicable. To be treated as a separate project for the purposes of certification, the group of buildings must have functioned together historically as a geographically discrete, related grouping. For example, a mill would not typically be considered a large and diverse property by itself, while a mill complex with separate workers housing might be. Military bases and medical, university, corporate, and other institutional campuses are typically examples of these properties.

Individual projects that are part of a large and diverse historic property would generally be certified separately and independently from one another. Work that does not meet the Standards undertaken as part of one project would generally not impact the certification of another project. However, if the work does not meet the Standards to the extent that it impacts the qualities that caused the property to be nominated to the National Register or, for example, the setting and environment of the individual buildings of another project, it could impact the certification of other projects and/or the certification of their individual buildings as certified historic structures if the work occurs within five years of any approved project’s completion (pursuant to 36 CFR 67.6(f)).

Example 4. A large, 20-building, former auto-manufacturing complex listed on the National Register of Historic Places was historically owned by one company, yet operated as two separate car divisions, each with their own separate, geographically discrete production facilities. While the buildings on the site were functionally related (owned by one car manufacturer during the property’s period of significance), an owner may elect to submit a single application with one rehabilitation project covering all the buildings or two separate applications for each of the two separate production facilities. If separated into two projects, both projects would be treated as separate, independent projects for the purposes of certification, and work could overlap or occur on different construction schedules without impacting the timing of when either project could apply for certification.

Other Project Scenarios

The following are other examples of projects involving functionally related buildings that may be treated as separate projects for the purposes of certification based on the facts and circumstances described below, dependent upon the above guidance as well as the other factors identified herein.

- Functionally-related complex where at the beginning of the project the owner plans to own and rehabilitate only part of the complex, begins work, and later, after substantially completing or when nearing completion of the project, acquires one or more additional buildings in the complex that were not previously planned or anticipated to be part of the original project.

Example 5. An owner purchases five buildings in a historic institutional complex and begins a multi-year rehabilitation of the buildings as one rehabilitation project. Shortly after completing the rehabilitation of three of the buildings, and while work was finishing on the final two buildings, the owner acquires an additional building in the complex. Work on the newly-acquired sixth building will not begin until after the completion of the work on the last of the first five buildings. In this case, the NPS could decide to consider the newly-acquired sixth building to be a new project and not require a one-year break between projects. If work on this building was undertaken and did not meet the Standards, the new, separate project would be denied certification, and it could impact the certification of the original project since the work is occurring within five years of completion of the first project.

- Large functionally related complexes under common ownership and in continuous historic use (such as large factories, institutional campuses, and resort properties for which continued operation often depends on an ongoing, continual rehabilitation of the property). In such cases where the ongoing work involves the substantial rehabilitation of individual buildings or groups of buildings that are part of a large and diverse property, the NPS will take into account the specific facts and circumstances that relate to the needs of such a continuously operating property in whether to treat such work as separate projects for the purposes of certification. These factors include, but are not limited to, the scheduling of the rehabilitation work on individual buildings; the proximity, design, and function of the individual buildings; and the historic evolution of the property.

Example 6. A 300-acre historic resort includes a large hotel building, a nearby conference center, 45 guest cottages built at different times and in scattered groups throughout the property, two recreation buildings, a stable, and a building used as employee housing—all of which are considered historic. The conference center is planned for rehabilitation, to be followed within a year by the rehabilitation of the first two groups of guest cottages. Maintenance and repair work is ongoing across the property. As part of what essentially is an ongoing rehabilitation effort at the resort, each geographically discrete grouping of cottages could be considered a separate and independent project for the purposes of certification, unrelated to the conference center rehabilitation. Depending upon the specific circumstances, work to other individual buildings or groups of buildings could also be treated as separate projects.

- Functionally related complexes under common ownership where the rehabilitation involves multiple buildings and will extend well beyond a 60-month phased-project time period.

Example 7. The planned rehabilitation of a large factory complex is anticipated at the outset to take 9-10 years from start to finish of construction. Because plans call for the rehabilitation work to extend well beyond a 60-month phased-project time period, the rehabilitation of the

buildings could be broken into two projects—with the buildings to be completed in Years 1-5 comprising one project for the purposes of certification, and the work to the remaining buildings scheduled to begin and be completed in Years 6-10 comprising a separate project. In this instance (i.e., work extending well beyond 60 months), the two projects would not need to be separated by a one-year gap between projects when no rehabilitation work would be occurring on the property. A Part 3 certification could be issued for the work involving the first group of buildings at the completion of that work. If the work that is part of the later project does not meet the Standards, it could impact the certification of the first project since the work is occurring within five years of completion of the first project. Even if the owner decided not to undertake the rehabilitation of the second group of buildings as a tax credit project, any work to those buildings would still have to be submitted to NPS for review if it occurs within five years of completion of the first project and could, therefore, jeopardize the first project's certification).

- Large housing complexes consisting of many separate or semi-attached houses or buildings, multiple streets, and shared land area under common ownership.

Example 8. A historic garden apartment housing complex consists of 100 buildings built in two separate, contiguous groupings. Initial work involves the rehabilitation of one of the two groupings. Work on the second group of houses will not start until shortly after the first group of houses is completed. Each group of houses could be treated as a separate project, with separate Part 1 and 2 applications, for the purposes of certification. The NPS would issue separate Part 3 certifications at the completion of each project if both rehabilitations are undertaken consistent with the Standards.

- Functionally related complexes where all the buildings were originally planned to be rehabilitated, but later, because of financing or other reasons, work was never initiated for some of the buildings and future plans for the buildings are uncertain.

Example 9. A former brewery complex consists of eight 3-story production buildings, an office building, a small power plant, a four-truck garage building, and a one-story bottle warehouse for shipping. Seven of the eight production buildings have been rehabilitated, one was demolished for parking (pursuant to 36 CFR 67.6(b)(5)), and work on the office building and power plant has also been completed. Work was never begun on the garage and bottle warehouse building, and no work is now planned for them due to changed market conditions.

(A) The owner submits an amendment to the Part 2 application to change the scope of the project to reflect that work is no longer proposed for these two unrehabilitated buildings. Completed work to date on the other buildings has been undertaken as originally approved by the NPS. The NPS could issue a Part 3 certification for the project since the amended overall project as completed meets the Standards.

(B) The NPS issued a Part 3 certification for the project. Two years after completing the project, the owner proposes to rehabilitate the bottle warehouse and demolish the garage building. The four-truck garage building is a small, secondary building located at the back of the property with little historic or architectural significance. Since the new work is occurring more than a year after completion of the original project, it may be submitted as a separate, new project for the purposes of certification. In this instance, demolition of the garage could be undertaken consistent with 36 CFR 67.6(b)(5) and not jeopardize certification of the new project or the prior project (since the work would be undertaken within five years of completion of the original project).

- Functionally related complexes where the proposed rehabilitation cannot be treated as separate projects and still meet the Standards.

Example 10. An institutional campus consists of eight buildings proposed to be rehabilitated as two projects separated by a one-year period during which no rehabilitation work is to occur on the property. The second of the two rehabilitation projects involves demolition and other work to four of the buildings and the site. After discussing the project with the NPS, the SHPO advised the applicant that the demolition and other proposed work would prevent the second project from meeting the Standards. If all eight buildings were rehabilitated as one overall project, however, the rehabilitation could meet the Standards on a cumulative effect basis and be certified. The SHPO advised the owner to submit the rehabilitation as one project for the purposes of certification.

December 2016

Rev. Preface to example 5 – March 2017