

ORDINANCE

THE TOWN OF SMITHFIELD HEREBY ORDAINS AS FOLLOWS:

THE ESTABLISHMENT OF A TAX AGREEMENT WITH UNITED RENTALS (NORTH AMERICA), INC.

WHEREAS, the TOWN OF SMITHFIELD (Town) and UNITED RENTALS (NORTH AMERICA), INC. (United Rentals), wish to enter into a tax agreement with respect to the payment of Town tangible personal property taxes for a five-year period commencing with Town fiscal year 2012-13 which relate to United Rentals' facility located in the Town of Smithfield (the Tax Agreement); and

WHEREAS, the Town has made and hereby reaffirms the following findings with respect to the Tax Agreement:

- (a) The Tax Agreement is in the public interest as it induces United Rentals to locate its facility in the Town which will increase the tax base of the Town, provide new tax revenues to the Town, create new employment opportunity for residents of the Town and enhance property values in the Town as well as the overall economic climate of the Town; and
- (b) Chapter 7 of Rhode Island Public Laws, 1960, provides that the Town and United Rentals may make an agreement with respect to tangible personal property taxes on the proposed project; and
- (c) The payments made pursuant to the Tax Agreement are fair and equitable and acceptable to the Town and United Rentals.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF SMITHFIELD AS FOLLOWS:

Section 1. That the findings set forth in the proceeding **WHEREAS** Clauses are hereby made and confirmed.

Section 2. That the execution, delivery and performance by the Town of a Tax Agreement with United Rentals in the form set forth in Exhibit A hereto, are hereby authorized and approved.

Section 3. This Ordinance shall take effect thirty days after passage hereof.

EXHIBIT A

TAX AGREEMENT

THIS AGREEMENT made and entered into as of the _____ day of _____, 2011 by and between the **TOWN OF SMITHFIELD**, a municipal corporation organized and existing under the laws of the State of Rhode Island (the "Town") and **UNITED RENTALS (NORTH AMERICA), INC.**, a Delaware corporation authorized to do business in the State of Rhode Island ("United Rentals"), is intended to provide certain tax benefits to United Rentals in accordance with Rhode Island Public Laws, 1960, Chapter 7 in order to induce United Rentals to locate its business in Smithfield; and

WHEREAS, United Rentals has filed a written request for and the Smithfield Town Council has held a public hearing on the feasibility of granting the request for said tax benefits; and

WHEREAS, in consideration of this Agreement, United Rentals will continue to conduct business operations out of a location in Smithfield; and

WHEREAS, the Town has found and determined that:

(a) This Agreement is in the public interest as it induces United Rentals to locate its business in the Town which will increase the tax base of the Town, provide increased tax revenues to the Town, create employment opportunity for residents of the Town and enhance property values in the Town as well as the overall economic climate of the Town; and

(b) The tax benefits provided for by this Agreement are fair and equitable and acceptable to the Town and United Rentals.

NOW THEREFORE, in consideration of the mutual agreements, understandings and obligations set forth herein, the Town and United Rentals hereby agree as follows:

1. During the term of this Agreement, United Rentals will continue to conduct business operations from a facility located within Smithfield.

2. During the term of this Agreement, whenever United Rentals replaces or adds employees working at its Smithfield facility, it agrees that among applicants it

deems, in its sole discretion, to be equally qualified, it will give preference to Smithfield, Rhode Island residents.

3. During the term of this Agreement, the Town will issue United Rentals tax bills for its tangible personal property located at its facility in Smithfield in the following amounts:

<u>Tax Year</u>	<u>Tangible Tax Bill</u>
7/1/12 - 6/30/13	\$ 80,000
7/1/13 - 6/30/14	\$ 80,000
7/1/14 - 6/30/15	\$ 90,000
7/1/15 - 6/30/16	\$100,000
7/1/16 - 6/30/17	\$110,000

4. This Agreement covers only tangible personal property taxes for the five-year term referenced above. All other taxes imposed on United Rentals by the Town shall not be affected by this Agreement.

5. Neither party may assign or modify this Agreement without the written authorization of the other party. This Agreement shall not confer any benefit on any third party.

6. This Agreement shall commence as of the date hereof and shall terminate on June 30, 2017.

7. This Agreement shall be subject to and construed under the laws of the State of Rhode Island.

8. United Rentals agrees to maintain a business in Smithfield through June 30, 2017. If United Rentals ceases business operations in the Town prior to that date, United Rentals will be responsible for remitting to the Town the tax benefits granted to United Rentals hereunder for the particular year in which United Rentals ceases operations within thirty (30) days of said cessation of business operations.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date set forth above.

Witness

TOWN OF SMITHFIELD

BY: _____
Michael J. Flynn
Town Council President

Witness

UNITED RENTALS (NORTH AMERICA), INC.

BY: _____
TITLE: _____