

Gateway Center  
Providence, Rhode Island



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**Executive Summary**

**Overview**

Gateway Center is a 4-story, "Class A" office building constructed in 1990, totaling 135,110 square feet of gross building area. Commonly known as the American Express Building, Gateway Center is a landmark in the Providence marketplace.

The building and a leasehold interest in the land is being sold at auction in Bankruptcy Court, under the terms of the Plan of Reorganization for Gateway Eight Limited Partnership as well as the Bidding and Auction Procedures incorporated therein.

**Building Data Summary**

Address:	One American Express Plaza, Providence, Rhode Island
Built:	1990
Size:	135,110 square feet (gross building area)
	27,887 RSF 1st Floor
	30,872 RSF 2nd Floor
	32,094 RSF 3rd Floor
	<u>22,786</u> RSF 4th Floor
	113,609 Total Rentable Square Feet
Parking:	Approximately 150 below-grade spaces on two below-grade levels.
Elevators:	Three
Foundation:	Poured concrete slab
Structure:	Steel frame
Exterior Façade:	Granite and brick face
Roof:	Flat rubber membrane
Windows:	Aluminum frame double-pane
Interior Finish:	Extensive wood trim, painted drywall, suspended acoustical ceiling, carpeting.
Office:	Primarily open space with limited offices and meeting rooms.
Kitchen:	Kitchen and cafeteria located on the third floor.
Electrical System:	3,000 KVA service - 480 volt

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HVAC:	178 heat pumps (1-4 1/2 tons). Baltimore air cooling tower. Gas fired boiler - 2.4 million BTU.
Additional HVAC:	80 ton make-up air unit.
Fire Safety:	Wet sprinkler system with fire panel notification to the City.
Emergency Power:	Gas-fired generators

### **Institutional Quality Asset**

Gateway Center is one of the newest and highest-quality assets in the Providence marketplace. Built for and originally occupied by American Express, this "Class A" office building is currently the only facility in the City of Providence designed for and capable of accommodating a single tenant in excess of 100,000 square feet.

Taken together, the quality of construction, location, parking capacity, and other building amenities provide a unique opportunity for ownership of a landmark property in the heart of Providence, Rhode Island.

### **Strategic Location**

Gateway Center is located in the heart of downtown Providence, situated in the Capital Center District overlooking Waterplace Park. It is situated next to the Providence Train Station (Amtrack commuter rail) and across from the State House and Providence Place Mall.

Gateway Center is strategically located near both the governmental and financial centers, offers nearby shopping and dining amenities, and is next to several residential communities (existing and under development).

### **Occupancy**

The office space is currently vacant.

The parking facility is currently leased to a garage operator on a month-to-month basis, at a base rent of \$5,000 per month.

### **Abundant Parking Facilities**

The two-story, below-grade structured parking provides for approximately 150 spaces. The facility can be dedicated to employee parking and accessed with card keys, or operated as a public facility. If operated as a public facility, an attendant booth is provided for a staffed operation and a credit card swipe system is installed for unattended operation.

Parking spaces in the City of Providence are scarce; facilities with dedicated covered parked truly rare. Gateway's parking garage is valuable for its ability to generate revenue as well as to provide for tenant convenience.

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**Ground Lease**

The building is subject to a ground lease. The lease term commenced November 1, 1988 and will expire July 31, 2090. The current monthly rental amount is \$18,598.59 per month. The rent is subject to adjustment every five years; the next adjustment date is February 1, 2010. The adjustment calculations are as follows:

February 1, 2010: The annual rent will be adjusted to 10% of the fair market value of the land. This adjustment is made every ten years thereafter.

February 1, 2015: The annual rent will be adjusted by the cumulative change in the CPI index during the preceding five-year period. This adjustment is made every ten years thereafter.

The successful bidder may elect to seek a court ruling that the ground lease is in actuality a first mortgage loan with the same general economic effect as present ground lease, or may elect to simply assume the ground lease terms now in effect. The ground lessor has stated that it would oppose any request to have the lease re-characterized as a mortgage loan.

**Price**

A minimum bid of Eighteen Million Dollars (\$18,000,000.00) is required to participate in the auction process.

**Timing**

The anticipated timeline of the auction sale process is as follows. All dates are provided as guidelines and are subject to change:

July 26, 2005: Executive Summary and Confidentiality Agreement delivered to Potential Bidders.

July 29, 2005: Submittal by Potential Bidders of Confidentiality Agreement and financial disclosure information.

August 2, 2005: Notification of Qualified Bidders and delivery of due diligence materials.

August 3 to  
September 6, 2005: Due diligence period

August 17, 2005: Anticipated date upon which the court will consider approving the bidding and auction procedures, and setting the date of the auction. (Court hearing open to public).

September 7, 2005: Deadline for bids and other deliverables, including Deposit.

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September 12, 2005: Bidders individually notified as to whether its bid is a Competing Bid.

September 13, 2005: Bidders notified of Highest Bid amount

September 15, 2005: Notice of intent to proceed and Additional Deposit due from Bidders.

September 16, 2005: Auction (Date not yet set by the Court)

November 1, 2005: Transfer of title

### **Bidding and Auction Procedures**

As provided for in the Bidding and Auction Procedures submitted for approval by the Bankruptcy Court:

Unless otherwise ordered by the Bankruptcy Court for cause shown, or as otherwise determined by ERS in its Reasonable Discretion, in order to participate in the bidding process each Person (a "Potential Bidder") must deliver (unless previously delivered) to the Auctioneer:

1. An executed confidentiality agreement, customary for transactions of this type, in form and substance satisfactory to the Auctioneer; and
2. Current financial statements of the Potential Bidder or, if the Potential Bidder is an entity formed for the purpose of the Auction Sale, current financial statements of the equity holder(s) of the Potential Bidder, or such other form of financial disclosure acceptable to the Auctioneer demonstrating such Potential Bidder's ability to close the proposed transaction.

A "Qualified Bidder" is a Potential Bidder that delivers the documents described in subparagraphs (1) and (2), whose financial information demonstrates (to the Auctioneer's reasonable satisfaction) the financial capability of the Potential Bidder to consummate the Auction Sale, and that the Auctioneer, in consultation with counsel to the ERS, determines is reasonably likely (based on availability of financing, experience and other considerations) to submit a bona fide offer and to be able to consummate the Auction Sale if its Bid is selected as the Highest and Best Bid.

Within two Business Days after a Potential Bidder delivers all of the materials required by subparagraphs (1) and (2) above, the Auctioneer, in consultation with counsel to the ERS, shall determine in its Reasonable Discretion, and shall notify the Potential Bidder, whether such Potential Bidder is a Qualified Bidder. Notwithstanding the foregoing, the ERS shall be a Qualified Bidder for all purposes hereof.

Potential Bidders that are determined to be Qualified Bidders shall be entitled to receive a complete copy of the Bidding and Auction Procedures as well as all available due diligence materials.

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**Contact Information**

Coordination of the bidding and auction procedures will generally be handled by the Auctioneer, and therefore the Auctioneer shall be the primary point of contact. However, the investment management and legal representatives to the Employees' Retirement System of Rhode Island may handle certain issues directly. Contact information for each entity is as follows:

**Auctioneer**

Irving Shechtman & Co.  
141 Power Road  
Pawtucket, RI 02860  
Attn: M.C. Ponte, III  
auctionsri@excite.com

**Investment Management**

Andrew G. LeStage, Vice President  
Great Point Investors LLC  
98 North Washington Street  
Boston, MA 02114  
alestage@gpinvestors.com

**Legal**

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