

**CITY OF PROVIDENCE
RHODE ISLAND**



**CITY COUNCIL
JOURNAL OF PROCEEDINGS**

No. 22 City Council Special Meeting, Monday, June 23, 2014, 5:00 o'clock P.M.


**PRESIDING
COUNCIL PRESIDENT
MICHAEL A. SOLOMON**

CALL TO ORDER

**PRESENT: COUNCIL PRESIDENT SOLOMON, COUNCILMAN APONTE,
COUNCILWOMAN CASTILLO, COUNCILMAN CORREIA,
COUNCILMAN HASSETT, COUNCILMAN IGLIOZZI, COUNCILMAN JACKSON,
COUNCILMAN JENNINGS, COUNCILWOMAN MATOS,
COUNCILMAN NARDUCCI, COUNCILMAN SALVATORE,
COUNCILMAN SANCHEZ, COUNCILMAN YURDIN, COUNCILMAN ZURIER –
14.**

ABSENT: COUNCILMAN PRINCIPE – 1.

**ALSO PRESENT: LORI L. HAGEN, SECOND DEPUTY CITY CLERK, SHERI A.
PETRONIO, ASSISTANT CLERK AND JEFFREY M. PADWA, CITY SOLICITOR**

**IN CITY COUNCIL
SEP 04 2014**
APPROVED:  **CLERK
ACTING**

INVOCATION

The Invocation is given by **COUNCILWOMAN SABINA MATOS**.

"Dear God, please guide us today as we make decisions that are going to impact the lives of the residents and the taxpayers of the City of Providence. Allow us the wisdom to make the right decision to benefit the City of Providence. Amen."

PLEDGE OF ALLEGIANCE

COUNCILMAN LUIS A. APONTE Leads the Members of the City Council and the Assemblage in the Pledge of Allegiance to the Flag of the United States of America.

CALL FOR SPECIAL MEETING

COMMUNICATION FROM

COUNCIL PRESIDENT MICHAEL SOLOMON

Request filed with the Second Deputy City Clerk on June 20, 2014, Requesting a Special Meeting of the City Council to be Called on the 23rd day of June, 2014 at 5:00 o'clock P.M., in the City Council Chamber, Third Floor, City Hall.

COUNCIL PRESIDENT SOLOMON Receives the foregoing Communication.

RESULT: RECEIVED

WARRANT FOR SPECIAL MEETING

Warrant of the Second Deputy City Clerk to David Tassoni, City Sergeant with Return Certification that he has notified each Member of the City Council of the Special Meeting Called for the 23rd day of June, 2014 at 5:00 o'clock P.M., in the City Council Chamber, Third Floor, City Hall.

COUNCIL PRESIDENT SOLOMON Receives the foregoing Warrant.

RESULT: RECEIVED

ORDINANCE(S) SECOND READING

COUNCILMAN IGLIOZZI, COUNCILMAN APONTE, COUNCILWOMAN CASTILLO, COUNCILMAN CORREIA, COUNCILMAN HASSETT, COUNCILMAN JACKSON, COUNCILMAN JENNINGS, COUNCILWOMAN MATOS, COUNCILMAN PRINCIPE, COUNCILMAN SANCHEZ

An Ordinance in Amendment of Chapter 21, "Revenue and Finance," Section 182, "Apportionment of Taxes," of the Code of Ordinances of the City of Providence.

SECTION 1. Chapter 21, "Revenue and Finance," Section 182, "Apportionment of taxes of the Code of Ordinances of the City of Providence is hereby amended as follows:

Sec. 21-182. Apportionment of taxes.

(a) *Limited adoption.* The tax classification plan is hereby adopted with the following limitations:

- (1) The designated classes of property shall be limited to the four (4) classes as defined in subsection (b) hereof.
- (2) The tax rate for class 2 shall not exceed the tax rate of class 1 by more than two hundred (200) percent, without regard to the owner-occupied status; the tax rate applicable to class 3 shall not exceed the non-owner occupied tax rate of class 1 by more than two hundred (200) percent.
- (3) Effective fiscal year 2016, the rate for the non-owner occupied properties of Class 1 type (b) non-owner occupied shall not exceed the owner-occupied tax rate of Class 1 type (a) owner occupied by more than sixty (60) percent.
- (4) Notwithstanding subsection (a)(2) hereof, the tax rate applicable to wholesale and retail inventory within class 3 as defined in subsection (b) hereof, are governed by R.I.G.L. § 44-3-19.1.
- (5) Notwithstanding subsection (a)(2) hereof, tax rates applicable to motor vehicles within class 4 as defined in subsection (b) hereof, are governed by R.I.G.L. § 44-34.1-1.
- (6) The provisions of Rhode Island General Laws, Chapter 35 of Title 44 relating to property tax and fiscal disclosure applies to the reporting of and compliance with these classifications.

SECTION 2. This Ordinance shall take effect upon passage.

Read and Passed the Second Time, on Motion of COUNCILMAN JENNINGS, Seconded by COUNCILMAN APONTE, by the following Roll Call Vote:

RESULT:	READ/PASSED SECOND TIME [10 TO 4]
MOVER:	Wilbur Jennings, Councilman
SECONDER:	Luis Aponte, Councilman
AYES:	Aponte, Castillo, Correia, Hassett, Iglizzi, Jackson, Jennings, Matos, Narducci, Sanchez – 10.
NAYS:	Solomon, Salvatore, Yuridin, Zurier – 4.
ABSENT:	Principe – 1.

The Motion for Passage the Second Time is Sustained.

An Ordinance Establishing a Tax Exemption and Stabilization Plan for the Foundry.

WHEREAS, SHARPE BUILDING ASSOCIATES, LLC ("Sharpe") is the owner of a portion of the Foundry, comprising certain real estate located in the City of Providence at 25 Holden Street, AP 4, Lot 256 and 35 Holden Street, AP 4, Lot 255; and

WHEREAS, Sharpe intends on rehabilitating the building and returning it to a productive use as approximately 196 residential apartments; and

WHEREAS, The City of Providence envisions the Sharpe project will generate jobs within the City of Providence as well as protecting, preserving and showcasing an historic mill building; and

WHEREAS, Rhode Island General Laws § 44-9-3 ("Act") authorizes, subject to certain enumerated conditions, the city council of a city for a period not to exceed twenty (20) years, to exempt and determine an amount of taxes to be paid on account of real property used for residential and commercial purposes, notwithstanding the valuation of the real estate or the rate of tax; and

WHEREAS, The tax payments contemplated to be made pursuant to this Ordinance have been determined by the City Council of the City of Providence to be fair, equitable and acceptable to the City; and

WHEREAS, It is in the interest of the residents of the City of Providence to grant a tax exemption and stabilization plan in order to induce the rehabilitation of the Foundry;

Be It Ordained by the City of Providence:

Section 1. That the findings set forth in the preceding recitals are hereby made and confirmed.

Section 2. Definitions. The following terms shall have the meanings set forth herein:

(a) "Assessment" shall mean the value placed upon the improvements made by Sharpe by the City of Providence Tax Assessor.

(b) "Commencement Date" shall be the effective date of this Ordinance.

(c) Intentionally Omitted.

(d) "Project Site" means all of the real estate and buildings and improvements thereto located at City of Providence Assessor's Plat 4, Lot 256, together with City of Providence Tax Assessor's Plat 4, Lot 255 which will be used for parking purposes.

(e) "Project Site Owner" or "Project Owner" means an entity with the right and interest in and to the Project Site (or portions thereof), including successors to units and/or sub-units of the Project Site.

(f) "Project Taxable Property" means collectively, the Project Site and all Real Property Improvements thereon.

(g) "Real Property Improvements" means any structures or improvements including but not limited to buildings, parking lots/structures and related improvements to be constructed and developed on the Project Site.

(h) "Stabilized Tax Payments" shall mean the Assessment multiplied by the tax rate and further multiplied by the appropriate percentage contained in Section 5.

(i) "Termination Date" means the 15th anniversary of the December 31 in which the Project Site is first assessed pursuant to the schedule set forth in Section 5 below.

Section 3. Grant of Tax Stabilization Plan. The City of Providence, in accordance with the Laws of the State of Rhode Island and the Code of Ordinances for the City of Providence, is hereby authorized to grant and does grant the schedule of Stabilized Tax Payments pursuant to Section 5.

Section 4. Term. The term of this Ordinance shall be a period commencing upon the Commencement Date and terminating on the Termination Date.

Section 5. Tax Exemption and Stabilization Plan. The presently assessed tax payments will be frozen for the first three (3) tax years of the Term, during which Sharpe must complete construction on the Project Site, subject to a Force Majeure Event (as defined below). In the fourth tax year after the Commencement Date, the value of the property will be frozen at \$15,000,000.00. Beginning in the fourth tax year, the assessor shall issue a bill for a percentage of the \$15,000,000.00 value as follows: 8.33% of the taxes due at the then current tax rate, but in no event shall the taxes paid be in an amount less than paid the previous year. At the end of the fourth tax year, the assessor shall reassess the Project Site and assign a new assessed value. Beginning in the fifth tax year, the assessor shall issue a bill for a percentage of the new assessed value as follows: 16.66% of the taxes due at the then current tax rate in Year 5; 24.99% of the taxes due at the then current tax rate in Year 6; 33.32% of the taxes due at the then current tax rate in Year 7; 41.65% of the taxes due at the then current tax rate in Year 8; 49.98% of the taxes

due at the then current tax rate in Year 9. At the end of the ninth tax year, the assessor shall reassess the Project Site and assign a new assessed value. Beginning in the tenth tax year, the assessor shall issue a bill for a percentage of the new assessed value as follows: 58.31% of the taxes due at the then current tax rate in Year 10; 66.64% of the taxes due at the then current tax rate in Year 11; 74.97% of the taxes due at the then current tax rate in Year 12; 83.30% of the taxes due at the then current tax rate in Year 13; 91.67% of the taxes due at the then current tax rate in Year 14; 99.90% of the taxes due at the then current tax rate in Year 15. At the conclusion of fifteen full years after completion, the new construction will be paying the full current assessment.

Section 6. Payment of Taxes.

(a) Stabilized Tax Payments due to the City, pursuant to the schedule listed in Section 5, may be made in either a lump sum during the first quarter of the applicable tax year or in equal quarterly installments. If the quarterly payments are to be made, they shall be due on the same dates that quarterly taxes are due for all other taxpayers in the City.

(b) The liability for the Stabilized Tax Payments due and owing under this Ordinance shall constitute an obligation of the Project Site Owner, and the City shall be granted by the Owner of the Project Site, a first lien on the Project Taxable Properties, which lien shall be of the same priority and entitle the City to the same foreclosure remedies as the lien and foreclosure remedies provided under the applicable laws and ordinances with respect to real property and personal property taxes. The City agrees to provide Notice to the Owner of the Project Site prior to exercising any foreclosure or other remedies available and the Owner of the Project Site shall have ninety (90) days to cure any alleged default under this Ordinance from the date upon which Notice of any alleged default is received from the City. Said Notice shall include, with specificity, the nature of any alleged default, and the actions which the City believes to be reasonably necessary to cure any alleged default under this Ordinance.

(c) It is understood that the Stabilized Tax Payments made hereunder are deemed by the City to be tax payments, and the Owner of the Project Site making the Stabilized Tax Payments shall be entitled to all of the rights and privileges of a taxpayer in the City, including, without limitation, the right to challenge and appeal any assessment and/or reassessment. It is further understood and agreed that the City's sole and exclusive recourse to the Owner of the Project Site is limited to the City's first lien on the Project Taxable Properties, however, nothing herein shall be construed to limit the right of the City to foreclose or take any other judicial proceeding available at law for the collection of taxes.

(d) Stabilized Tax Payments not made by the Owner of the Project Site as they become due shall be subject to any and all penalties allowed under Rhode Island General Laws. Failure to receive a stabilized tax bill shall not relieve the Owner of the Project Site of its obligation to make Stabilized Tax Payments herein. If for any reason the Owner of the Project Site does not receive an appropriate stabilized tax bill, the Owner of the Project Site shall have the responsibility and obligation to make reasonable inquiries to the City in order to have such a stabilized tax bill issued and thereafter to make payment of the same no later than the due dates provided herein. Stabilized Tax Payments shall be made by the Owner of the Project Site directly to the City of Providence Tax Collector's Office.

Section 7. Effect of Failure to Make Payments. The real property taxes payable to the City for the Project Site during the term of this Ordinance shall be based upon the stabilized real property taxes set forth in Section 5 on the Project Site and on any other tax lots owned by the Project Owner. This Ordinance is further conditioned upon the Owner of the Project Site, whether now or in the future, remaining current on tax payments pursuant to Section 5. Failure to make said timely Stabilized Tax Payments may, at the discretion of the City of Providence following the Notice and the 90-day cure period set forth in Section 6(b), render this Ordinance null and void.

Section 8. Retroactive Revocation For Failure to Satisfy Performance Milestones. In the event that the Project Owner fails to satisfy the following performance milestones, then this Ordinance shall be automatically repealed following the Notice and the 90-day cure period set forth in Section 6(b), and the Owner of the Project Site shall be reassessed any unpaid real estate taxes, penalties and interest which remain unpaid as if this Ordinance had never been passed:

(a) Obtaining all necessary permits and approvals being secured from the municipal agencies of the City of Providence or the State of Rhode Island for the redevelopment of the Project Site in accordance with the second recital hereof within twenty-four (24) months of the Commencement Date.

(b) Achieving substantial completion of and the redevelopment of the Project Site within thirty-six (36) months of the Commencement Date.

(c) Notwithstanding anything to the contrary in this Section 8, the Project Site Owner may be entitled to an extension of the time for performance of the preceding milestones, if for a cause beyond the Project Site Owner's reasonable control, including strikes and/or labor disputes, accidents, invasion, riot, rebellion, civil commotion, insurrection, acts of terrorism against the United States interests, any act or judgment of any court granted in any legal proceeding, acts of god such as fire, wind or lightning, explosion, ("Force Majeure Event"), the performance milestones are delayed. In such event, the Project Site Owner shall be entitled to an extension of such dates upon making a request for extension from the City Council, provided that in no event shall the Project Site Owner delay substantial completion of construction of the Project Site beyond forty-eight (48) months after the Commencement Date.

Section 9. Transfers. As long as the Project Site Owner or any successor or assignee owns or operates the Project Site, it will continue to pay Stabilized Tax Payments for the Project Site pursuant to this Ordinance.

(a) The Project Site Owner or any successor or assignee, acknowledge and agree that the Project Site will be subject to taxation pursuant to the terms of this Ordinance and thereafter subject to taxation pursuant to Rhode Island General Laws and the ordinances of the City of Providence. The Project Site Owner, or any successor or assignee, agrees that the exemption and conditions under this Tax Stabilization Plan shall run with the land.

(b) If the Project Site is sold to a real property tax-exempt entity, the Tax Stabilization Plan may terminate at the discretion of the City of Providence following the Notice and the 90-day cure period set forth in Section 6(b), and unless otherwise agreed to by the City, the Project Site Owner/Seller shall pay to the City an amount equal to the difference between the Stabilized Tax Payments made under the Tax Stabilization Plan and the amount of real estate taxes that would have been paid during the effective term of said plan, but for the Tax Stabilization Plan.

Section 10. Employment and Contracts.

(a) Construction.

- i. MBE/WBE. The Project Site Owner shall undertake all reasonable efforts to collectively award to Minority Business Enterprises and Women Business Enterprises, as defined in Rhode Island General Laws, no less than 10% of the dollar value of the construction costs for the Project (as determined in accordance with Section 21-52 of the Code of Ordinances of the City of Providence) inclusive of work connected to the redevelopment completed to date. The Project Site Owner will request the City MBE/WBE office establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City will assist the Project Site Owner in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members with the construction industry. Work on the project performed at the Project Site prior to the implementation of this agreement shall be included in calculating compliance with this provision.
- ii. Apprenticeship. The Developer or Project Owner shall undertake all reasonable efforts to ensure that all trade tiers for the construction of this Project shall have or be affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq. for any and all crafts or trades that will or may be working on the Project. This shall not apply to any trade or profession which does not have an apprenticeship program for such trade or profession in the State of Rhode Island.

The Developer or Project Owner shall make a requirement in the contract with the General Contractor that he undertakes all reasonable efforts to ensure that not less than ten percent (10%) of the total hours worked on the Project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Developer or Project Owner shall as part of its contracts with the General Contractor require that the General Contractor submit to the Department of Planning and Development quarterly reports verifying compliance with this section or the reasons for non-compliance.

The Developer or Project Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the City of Providence Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that compliance is not feasible because:

- a. a trade or field cannot produce members from its program capable of performing the scope of work within the contract; or
 - b. it would involve a risk or danger to human health and safety or the public at large; or
 - c. it would create a significant economic hardship; or
 - d. for any other reason which is justifiable and demonstrates good cause.
- iii. Internal Revenue Service reporting. Except as provided under Rhode Island General Laws § 28-42-8, any person performing services at the Project Site shall annually receive either a W-2 statement or an IRS Form 1099.
- iv. Permanent Employment. In conjunction with its efforts pursuant to this Section and its ongoing efforts to provide equal employment opportunity without regard to race, color, religion, natural origin, sex, age or handicap, the Project Owner shall liaise with the City to assist in the recruitment of qualified minority, women, and handicap applicants for all of its permanent non-executive employment positions at the Project.
- v. First Source List. Pursuant to the City of Providence First Source Ordinance, the Project Site Owner shall enter into a First Source Agreement covering the hiring of non-executive level employees necessary to complete the proposed Project and throughout the term of this tax stabilization agreement. The Project Site Owner shall work in conjunction with the Director of First Source Providence to develop the First Source Agreement.
- vi. In the event that there shall be a failure to materially comply with this Section 10(a), the Department of Planning and Development shall have standing to seek enforcement of this provision of the ordinance in the Rhode Island Superior Court.

(b) Reporting. The Project Site Owner shall annually report to the City Council on its progress in complying with the provisions of this Ordinance, including but not limited to, Section 10.

Section 11. Resolution of Calculation Disputes. Intentionally Omitted.

Section 12. Severability. If any one section of this Ordinance is found to be unenforceable, then the other provisions herein shall continue to have the same force and effect as if the unenforceable provision were not passed as part of this Ordinance.

Section 13. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

Section 14. Effective Date. This Ordinance shall become effective immediately upon its passage by the City Council and approval by the Mayor.

**The Foundry
Sharpe Building Associates,
LLC
4/255 and 4/256**

Proposed - 196 residential apartments

Year	Projected Value	Rate per thousand	Percentage	Tax Payment
1	\$ 1,836,500	36.75	100%	\$ 67,491
2	\$ 1,836,500	36.75	100%	\$ 67,491
3	\$ 1,836,500	36.75	100%	\$ 67,491
4	\$ 15,000,000	36.75	8.33%	\$ 67,491
5	\$ 20,000,000	36.75	16.66%	\$ 122,451
6	\$ 20,000,000	36.75	24.99%	\$ 183,677
7	\$ 20,000,000	36.75	33.32%	\$ 244,902
8	\$ 20,000,000	36.75	41.65%	\$ 306,128
9	\$ 20,000,000	36.75	49.98%	\$ 367,353
10	\$ 25,000,000	36.75	58.31%	\$ 535,723
11	\$ 25,000,000	36.75	66.64%	\$ 612,255
12	\$ 25,000,000	36.75	74.97%	\$ 88,787
13	\$ 25,000,000	36.75	83.30%	\$ 65,319
14	\$ 25,000,000	36.75	91.67%	\$ 42,218
15	\$ 25,000,000	36.75	99.90%	\$ 917,831
Total Tax Payments				\$5,856,608

COUNCIL PRESIDENT SOLOMON, (By Request):

An Ordinance Establishing a Tax Exemption and Stabilization Plan for Prospect CharterCARE, LLC and its Affiliates in the City of Providence.

WHEREAS, CharterCARE Health Partners ("CharterCARE") operates a healthcare system in the City of Providence and the Town of North Providence which includes Roger Williams Medical Center and St. Joseph's Health System of Rhode Island;

WHEREAS, Roger Williams Medical Center is a 220-bed, acute care community hospital located in the City of Providence that provides secondary and tertiary care, is engaged in medical research and is a community-based teaching hospital affiliated with an academic medical center;

WHEREAS, St. Joseph's Health System of Rhode Island ("St. Joseph") operates the St. Joseph Center for Health and Human Services located in the City of Providence;

WHEREAS, St. Joseph operates an integrated delivery system consistent with the healing mission of the Catholic Church including Our Lady of Fatima Hospital, which is a 278-bed, acute care community hospital located in North Providence, Rhode Island, an assisted living facility through its St. Joseph's Living Center Division, and specialty care services through St. Joseph's Hospital Specialty Care;

WHEREAS, St. Joseph also operates a school of nursing education through St. Joseph's School of Nursing Division;

WHEREAS, The CharterCARE healthcare system has considerable economic impact on the City of Providence and the State of Rhode Island. For example, in 2011, CharterCARE employed 3,000 employees with salaries and benefits in the approximate amount of \$178M and undertook purchases from vendors in the State of Rhode Island in the approximate amount of \$71M;

WHEREAS, Roger Williams Medical Center, alone, currently employs approximately 1,200 employees, pays salaries and benefits in the approximate amount of \$80M, and purchases goods and services in Rhode Island in the approximate amount of \$28M;

WHEREAS, Approximately 550 of CharterCARE's employees reside in the City of Providence;

WHEREAS, Utilizing the multipliers employed by Hospital Association of Rhode Island, CharterCARE, has an economic impact of over \$524M in the State of Rhode Island;

WHEREAS, Beginning in 2012, in an effort to bring the CharterCARE system to profitability, and to continue its mission out into the foreseeable future, CharterCARE sought an affiliation with a broader healthcare network;

WHEREAS, After a year of marketing and interviewing potential partners, CharterCARE has entered into an agreement to form a partnership with Prospect Medical Holdings, Inc. ("Prospect") that will advance such goals;

WHEREAS, Prospect owns and operates 9 hospitals and a network of specialty and primary care clinics in high-density areas in California and Texas;

WHEREAS, Prospect has formed a new entity to acquire the CharterCARE healthcare system;

WHEREAS, Prospect is advancing a purchase price of \$45M for the healthcare system;

WHEREAS, The new healthcare system shall be called Prospect CharterCARE, LLC ("New Hospitals" or "Prospect CharterCARE");

WHEREAS, The existing CharterCARE ownership shall continue to hold a 15% ownership interest in New Hospitals;

WHEREAS, The governing structure of New Hospitals will be such that Prospect's ownership interest will appoint 50% of the membership of New Hospitals' Board and CharterCARE's ownership interest will appoint 50% of the membership of the New Hospitals' Board;

WHEREAS, New Hospitals will be a for-profit entity and thus, a portion of the real property and personal property owned by the system in the City of Providence may become taxable;

WHEREAS, The challenges facing acute-care community hospitals in today's environment require the City of Providence and Prospect CharterCARE to partner in advancing the mission and continuing the positive economic impact of the CharterCARE healthcare system;

WHEREAS, Since Prospect CharterCARE will be a for-profit entity, the City of Providence may no longer receive appropriations in lieu of property tax payments from the State of Rhode Island pursuant to R.I. Gen. Laws § 45-13-5.1 (the "State Payment");

WHEREAS, In order to ensure the viability of Prospect CharterCARE and encourage future development at Roger Williams Medical Center and the properties owned by St. Joseph within the City of Providence, Prospect CharterCARE and the City of Providence have agreed to enter into a tax stabilization and exemption treaty consistent with the City Council's authority under Chapter 21, Article VIII, Section 169 of the City of Providence Ordinances;

WHEREAS, It is in the interest of the residents of the City of Providence to grant a tax stabilization and exemption in order to ensure the success of Prospect CharterCARE's operations in the City of Providence including Roger Williams Medical Center.

Now, Therefore, Be It Ordained by the City of Providence:

Section 1. That the findings set forth in the preceding recitals are hereby made and confirmed.

Section 2. Definitions. The following terms shall have the meanings set forth herein:

- (a) "Commencement Date" shall be the later of the passage of this Ordinance or the completion of the acquisition of CharterCARE in accord with regulatory approvals to be issued by the Rhode Island Attorney General and the Rhode Island Department of Health.
- (b) "Department of Economic Development" shall mean the City of Providence's Department of Economic Development.
- (c) "Personal Property" shall mean any and all tangible personal property including, but not limited to all fixtures, furniture, equipment, furnishings, vehicles, computer hardware and software, informational systems and other personal property in which Prospect CharterCARE has right, title and interest that is subject to property taxation pursuant to the laws of the State of Rhode Island and/or the City of Providence as of the Commencement Date up and through the Termination Date.

- (d) "Project Owner" shall be the newly formed Prospect CharterCARE, LLC, its affiliates and its successors and assigns.
- (e) "Prospect CharterCARE and its affiliates" shall mean those entities identified in the application submitted pursuant to R.I. Gen. Laws §§23-17-1 *et seq.* and 23-17.14-1 *et seq.* including but not limited to, Prospect CharterCARE, LLC, Prospect CharterCARE RWMC, LLC, Prospect CharterCARE SJHSRI, LLC, Prospect CharterCARE Elmhurst, LLC, Prospect CharterCARE Ancillary Services, LLC.
- (f) "Real Property" and/or "Facility Site" shall mean the property identified in the City of Providence Assessor's records as detailed in Exhibit A for property associated with the "St. Joseph Center for Health and Human Services Campus" and Exhibit B for all of New Hospitals' remaining property in the City of Providence including the Roger Williams Medical Center, and all of the real estate, buildings and improvements located and/or to be located thereon, at the Commencement Date and up and through the Termination Date, subject to property taxation under the laws of the State of Rhode Island and the City of Providence.
- (g) "Stabilized Property Assessment" with respect to the Real Property and Personal Property shall be subject to determination via the next statistical revaluation and/or full revaluation undertaken beginning in the eighth (8th) year for Personal Property and seventh (7th) year for Real Property, respectively, after the Commencement Date by the City of Providence pursuant to RI Gen. Laws § 44-5-1 *et. seq.* Prospect CharterCARE shall have a right to appeal any statistical revaluation and/or full revaluation directly to the Rhode Island Superior Court Business Calendar, Providence County and shall maintain all rights available under RI Gen. Laws § 44-5-26.
- (h) "Stabilized Tax Payments" shall mean the payments set forth in Sections 4 and 5, below.
- (i) "Termination Date" shall mean twelve (12) years from the Commencement Date.

Section 3. Term. The term of this Ordinance shall be a period commencing upon the Commencement Date and terminating upon the Termination Date.

Section 4. Grant of Tax Stabilization Plan._The City of Providence, in accordance with the Code of Ordinances for the City of Providence, is hereby authorized to grant and does grant and consent to the schedule of Stabilized Tax Payments pursuant to Exhibit C. Notwithstanding anything contained herein to the contrary, the Real Property may not be used for any purpose during the Term that is inconsistent with the City Council's authority to grant the stabilization plan contemplated herein under Chapter 21 Section 169 of the Providence City Code or under the Act.

Payments shall be made by Prospect CharterCARE directly to the City of Providence Tax Collector's Office. Failure to receive a stabilized tax bill shall not relieve Prospect CharterCARE of its obligation to make Stabilized Tax Payments herein. If for any reason CharterCARE does not receive an appropriate stabilized tax bill, Prospect CharterCARE shall have the responsibility and obligation to make reasonable inquiries to the City of Providence in order to have such a stabilized tax bill issued and thereafter to make payment of the same no later than the due dates provided herein.

Prospect CharterCARE shall receive a dollar-for-dollar credit to the extent the City of Providence, receives any funds from the payment of sales taxes by Prospect CharterCARE and/or related entities to the State of Rhode Island. Notwithstanding, Prospect CharterCARE shall not receive any credit for the payment of PILOT monies to the City of Providence pursuant to R.I. Gen. Laws §45-13-5.1.

Payment of the amounts set forth in the Tax Stabilization Plan shall be in full satisfaction of any and all property and use taxes to be assessed and levied against the Real Property, Facility Site, and Personal Property of Prospect CharterCARE during the term hereof.

Section 5. "Buy Providence" Initiative. Prospect CharterCARE will use good faith efforts to ensure that goods and services purchased for Roger Williams Medical Center during the turnaround of Prospect CharterCARE's operations, located in the City of Providence, are purchased from economically competitive and qualified vendors located in the City of Providence. In furtherance of this effort, Prospect CharterCARE will work with the Department of Economic Development to develop a database of qualified and economically competitive vendors.

Section 6. Employment Opportunities for Residents of the City of Providence.

6.1 Employment Opportunities During New Construction. Prospect CharterCARE shall make a good faith effort to award to Minority Business Enterprises as defined in Rhode Island General Laws, Section 37-14.1 ("MBE Act") no less than 10% of the dollar value of any New Construction costs in the City of Providence (as determined in accordance with the rules and regulations promulgated pursuant to MBE Act). Prospect CharterCARE shall make a good faith effort to award to women business enterprises (WBE's) no less than 10% of the dollar value of the construction costs in the City of Providence. Prospect CharterCARE will request that the Department of Economic Development establish a list of qualified MBE/WBE companies in order to satisfy its MBE/WBE construction goals. In this manner, the City of Providence will assist Prospect CharterCARE in meeting said goals. The process of participating with the MBE/WBE office shall begin upon passage in order to develop a designated MBE/WBE subcontractor list which will encourage MBE/WBE participation and joint ventures with other members of the construction industry.

6.2 Employment Opportunities During Operation. Prospect CharterCARE shall establish a protocol with the Department of Economic Development to post all job opportunities through the First Source Providence-Hire Providence program, and to educate the community about future employment opportunities with Prospect CharterCARE.

Section 7. Plan for Compliance with Employment, and “Buy Providence” Outreach Components. Prospect CharterCARE will work with the Department of Economic Development to publish a plan for compliance with Sections 5 and 6, within sixty (60) days of the acquisition of CharterCARE being completed.

Section 8. Satisfaction of Obligations. The City of Providence agrees that so long as the Stabilized Tax Payments are made by Prospect CharterCARE in accordance with the terms of this Ordinance, the City of Providence shall accept said payments in full satisfaction of the obligations of Prospect CharterCARE as to the payment of any and all taxes, including real and personal property assessments, to the City of Providence which could otherwise be levied upon the Real and Personal Property during the term of the Ordinance.

Section 9. Beneficiaries of Ordinance. The City of Providence expressly acknowledges that any and all future owners of the Facility Site and/or units or sub-units thereof, are intended to be beneficiaries of this Ordinance, and the provisions herein will apply with the same force and effect, so long as the Facility site remains a healthcare use and except that if Prospect loses title to the Facility Site as a result of a foreclosure or tax sale, this Ordinance will have no further effect on a future owner of the Facility Site.

Section 10. Apprenticeship. The Project Owner shall ensure that one-hundred percent (100%) of the hours worked on the Project shall be performed by trade construction subcontractors who have or are affiliated with an apprenticeship program as defined in 29 C.F.R. § 29 et seq.

The Project Owner shall make a requirement in the contracts between its Construction Manager and General Contractor and their subcontractors who have apprenticeship programs as defined in 29 C.F.R. § 29 that not less than ten percent (10%) of the total hours worked by the subcontractors’ employees on the project are completed by apprentices registered in the aforementioned apprenticeship programs.

The Project Owner shall as part of its contracts between its Construction Manager and General Contractor and their subcontractors require that the subcontractors submit to the Department of Planning and Development quarterly verification reports to ensure compliance with this section.

The Project Owner, its Construction Manager or General Contractor or other authorized person/entity may petition the City of Providence Department of Planning and Development to adjust the apprenticeship work hour requirements to a lower percentage upon a showing that:

- a. compliance is not feasible because a trade or field does not have an apprenticeship program or cannot produce members from its program capable of performing the scope of work within the contract; or
- b. compliance is not feasible because it would involve a risk or danger to human health and safety or the public at large; or
- c. compliance is not feasible because it would create a significant economic hardship; or
- d. compliance is not feasible for any other reason which is justifiable and demonstrates good cause.

"Project" is defined for the purposes of this section to mean capital improvement projects at the Facility Site that the Project Owner does not self-perform, but performs through a contract with a Construction Manager or General Contractor. The terms "Construction Manager" and "General Contractor" shall mean third-parties not related to the Project Owner who perform capital improvement projects at the Facility Site pursuant to the capital investment to be made in accord with the licensure and approvals granted to the Project Owner by the Rhode Island Department of Health and the Rhode Island Department of Attorney General pursuant to R.I. Gen. Laws §§ 23-17-1 *et seq.* and 23-17.14-1 *et seq.*

Section 11. Severability. If any one section of this Ordinance is found to be unenforceable, then the other provisions herein shall continue to have the same force and effect as if the unenforceable provision were not passed as part of this Ordinance.

Section 12. Effective Date. This Ordinance shall become effective immediately upon the Commencement Date.

Section 13. Applicable Law. This agreement shall be construed under the laws of the State of Rhode Island.

IN WITNESS WHEREOF, each of the parties has caused this Ordinance to be executed by their respective duly authorized officers as of the day and year first written above.

THE CITY OF PROVIDENCE

By: _____
Name: _____
Title: _____

Approved as to form and correctness

By: _____
Name: Jeffrey Padwa
Title: City Solicitor

STATE OF RHODE ISLAND) SS
COUNTY OF _____)

In _____, in said County and State, on the ____ day of June, 2014, before me appeared the above named _____, to me known and known by me to be the _____ of said _____, and he/she acknowledged the foregoing instrument by him/her so executed to be his/her free act and deed in said capacity and the free act and deed of said _____.

Notary Public: _____
My Commission Expires: _____

EXHIBIT A¹

St. Joseph Center for Health and Human Services Campus

1. 21 Peace Street; Plat 44, Lot 259
2. 96-100 Wesleyan Avenue, Providence; Plat 44, Lot 294
3. 114-118 Wesleyan Avenue, Providence; Plat 44, Lot 290
4. 130 Wesleyan Avenue, Providence; Pat 44, Lot 286
5. 31 Whitmarsh Street, Providence; Plat 44, Lot 240
6. 29 Whitmarsh Street, Providence; Plat 44, Lot 241
7. 16 a/k/a 22 Peace Street, Providence; Plat 44, Lot 242
8. 89 Peace Street; Plat 44, Lot 150
9. 124 Wesleyan Avenue; Plat 44, Lot 288
10. 69-81 Peace Street, Providence
 - a. 69-71 and 81-83 Peace Street; Plat 44, Lots 711 and 256
 - b. 73-75 Peace Street, Providence; Plat 44, Lot 257
 - c. 77 Peace Street, Providence; Plat 44, Lot 265
11. 53 Whitmarsh Street, Providence; Plat 44, Lot 233
12. 106 Wesleyan Avenue, Providence; Plat 44, Lot 292
13. 647 a/k/a 653 Broad Street and 649 Broad Street, Providence; Plat 44, Lots 273 and 272
14. 864-868 & 872 Admiral Street, Providence; Plat 124, Lots 243 and 521
15. 52 Plenty Street; Plat 44, Lot 135
16. 56 Plenty Street; Plat 44, Lot 258
17. 62 Plenty Street; Plat 44, Lot 205
18. 33 Plenty Street; Plat 44, Lot 261

¹ Subject to confirmation with the Tax Assessor that Exhibit A and Exhibit B include all of the real property owned by CharterCARE Health Partners and/or its affiliates in the City of Providence.

- a. Original Lot 261
 - b. Original Lot 593
 - c. Original Lot 262
-
- 19. 39 Plenty Street; Plat 44, Lot 263
 - 20. 43 Plenty Street; Plat 44; Lot 264
 - 21. 47 Plenty Street; Plat 44, Lot 266
 - 22. 55 Plenty Street; Plat 44, Lot 267
 - 23. 58 Plenty Street (Plat 44, Lot 268, and 132 Wesleyan Street, Plat 44, Lot 730
 - 24. 57 Whitmarsh Street; Plat 44, Lot 234
 - 25. 10 Peace Street, Plat 44, Lot 247
 - 26. 40 Peace Street; Plat 44, Lot 249
 - 27. 48 and 52 Peace Street; Plat 44, Lots 252 and 253
 - 28. 56 Peace Street; Plat 44, Lot 254
 - 29. 60 Peace Street; Plat 44, 255
 - 30. 61 Peace Street; Plat 44, Lot 719
 - 31. 112 Wesleyan Street; Plat 44, Lot 291
 - 32. 128 Wesleyan Street; Plat 44, Lot 287

EXHIBIT B²

Roger Williams Medical Center

33. 825 Chalkstone Avenue; Plat 82, Lot 283
34. 877 Chalkstone Avenue-Physician's Office Building; Plat 117, Lot 417
35. 867 Chalkstone Avenue; Plat 117, Lot 418
36. 865 Chalkstone Avenue; Plat 117, Lot 421
37. 25, 29, 33, 37, 41, 45, 49, 53 and 57 Winrooth Avenue; Plat 117, Lots 483, 484, 485, 486, 487, 488, 489, 490 and 491
38. 444 Pleasant Valley Parkway; Plat 117, Lot 432
39. 61 Winrooth Avenue; Plat 117, Lot 492
40. 65 Winrooth Avenue; Plat 117, Lot 507
41. 71 Winrooth Avenue; Plat 117, Lot 509

Roger Williams Realty Corporation

1. 50 Convent Street; Plat 82, Lot 234
2. 60 Maude Street; Plat 82, Lot 154
3. 70 Maude Street; Plat 82, Lot 155

Rosebank Corporation

1. 33 & 37, 41, 45 and 49 & 55 Rosebank Avenue
 - a. 33 & 37 Rosebank Avenue; Plat 82, Lots 224 and 223
 - b. 41 Rosebank Avenue; Plat 82, Lot 222
 - c. 45 Rosebank Avenue; Plat 82, Lot 221
 - d. 49 and 55 Rosebank Avenue; Plat 82, Lots 220 and 219
2. 32 Winrooth Avenue; Plat 117, Lot 474
3. 21 Winrooth Avenue, 17 Parkway Avenue, 881 & 895 Chalkstone Boulevard; Plat 117, Lots 473, 471, 416 and 415

² Subject to confirmation with the Tax Assessor that Exhibit A and Exhibit B include all of the real property owned by CharterCARE Health Partners and/or its affiliates in the City of Providence.

**EXHIBIT C
TAX STABILIZATION PLAN**

Real Property			Tangible Property			Host Community Payments to Phase Out of Existing RWMC/City PILOT		
	Year	Taxes to be Paid under the Proposed Tax Exemption/ Stabilization Format		Year	Taxes to be Paid under the Proposed Tax Exemption/ Stabilization Format		Year	
1	2014	\$600,000	1	2014	\$0.00		1	\$100,000
2	2015	\$2,100,000	2	2015	\$0.00		2	\$125,000
3	2016	\$2,200,000	3	2016	\$0.00		3	\$150,000
4	2017	\$2,300,000	4	2017	\$0.00		4	\$175,000
5	2018	\$2,400,000	5	2018	\$0.00		5	\$200,000
6	2019	\$2,500,000	6	2019	\$225,000			
7	2020	The real property would be reassessed and taxed on 44% of the assessed Value with a Floor of \$2.5M in Actual Tax Revenue	7	2020	\$250,000			
8	2021	55%	8	2021	20%			
9	2022	66%	9	2022	40%			
10	2023	77%	10	2023	60%			
11	2024	88%	11	2024	80%			
12	2025	100%	12	2025	100%			

COUNCILMAN YURDIN Moves to Dispense with the Reading of the foregoing matters and Moves Passage of the Several Ordinances the Second Time, Seconded by COUNCILMAN NARDUCCI, by the following Roll Call Vote:

RESULT:	READ/PASSED SECOND TIME [UNANIMOUS] FOUNDRY
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Correia, Hassett, Igliazzi, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 13.
ABSENT:	Castillo, Principe – 2.
RESULT:	READ/PASSED SECOND TIME [12 TO 1] CHARTERCARE
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Hassett, Igliazzi, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 12.
RECUSE:	Correia – 1.
ABSENT:	Castillo, Principe – 2.

The Motion for Passage of the Second Time is Sustained.

REPORT(S) FROM COMMITTEE(S)

SPECIAL COMMITTEE ON WAYS AND MEANS COUNCILMAN DAVID SALVATORE, Chairman

**Transmits the Following with Recommendation the Same be Severally
Approved:**

COUNCIL PRESIDENT SOLOMON, (By Request):

Resolution Requesting the City Council to endorse and ratify the consent judgment dated April 7, 2014, resolving certain pension issues related to certain non-union police and fire employees and certain non-union police and fire retirees of the City of Providence.

RESOLVED, that the Providence City Council endorses and ratifies the consent judgment dated April 7, 2014, a copy of which is attached, resolving certain pension issues related to certain non-union police and fire employees and certain non-union police and fire retirees of the City of Providence.

Read and Passed, on Motion of COUNCILMAN YURDIN, Seconded by COUNCILMAN NARDUCCI.

RESULT:	READ AND PASSED [UNANIMOUS]
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Correia, Hassett, Igliozi, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 13.
ABSENT:	Castillo, Principe – 2.

The Motion for Passage is Sustained.

**COMMITTEE ON ORDINANCES
COUNCILMAN SETH YURDIN, Chairman**

**Transmits the Following with Recommendation the Same Be Severally
Approved:**

An Ordinance in Amendment of Chapter 27 of the Code of Ordinances of the City of Providence Entitled "The City of Providence Zoning Ordinance," Approved June 27, 1994, as Amended, to Change the Zoning Designation of Property at 1710 and 1718 Westminster St. from R3 to M1.

**Read and Passed the First Time, on Motion of COUNCILMAN YURDIN, Seconded by
COUNCILMAN NARDUCCI, by the following Roll Call Vote:**

RESULT:	READ/PASSED FOR THE FIRST TIME [UNANIMOUS]
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Correia, Hassett, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 12.
ABSENT:	Castillo, Igliozi, Principe – 3.

The Motion for Passage the First Time is Sustained.

COUNCIL PRESIDENT SOLOMON, (By Request):

An Ordinance in Amendment of Chapter 9, Article IV, of the Code of Ordinances,
Entitled: "Connection of Private Alarm Systems with City System."

**Read and Passed the First Time, on Motion of COUNCILMAN YURDIN, Seconded by
COUNCILMAN NARDUCCI, by the following Roll Call Vote:**

RESULT:	READ/PASSED FOR THE FIRST TIME [UNANIMOUS]
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 10.
ABSENT:	Castillo, Correia, Hassett, Igliozi, Principe – 5.

The Motion for Passage the First Time is Sustained.

COUNCILMAN PRINCIPE

An Ordinance in Amendment of Chapter 27 of the Code of Ordinances of the City of
Providence Entitled: "The City of Providence Zoning Ordinance", Approved June 27,
1994, As Amended, to modify Section 401 - Outdoor Uses.

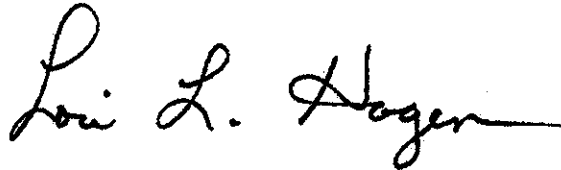
**Read and Passed the First Time, on Motion of COUNCILMAN YURDIN, Seconded by
COUNCILMAN NARDUCCI, by the following Roll Call Vote:**

RESULT:	READ/PASSED FOR THE FIRST TIME [UNANIMOUS]
MOVER:	Seth Yurdin, Councilman
SECONDER:	Nicholas J. Narducci, Councilman
AYES:	Solomon, Aponte, Jackson, Jennings, Matos, Narducci, Salvatore, Sanchez, Yurdin, Zurier – 10.
ABSENT:	Castillo, Correia, Hassett, Igliozi, Principe – 5.

The Motion for Passage the First Time is Sustained.

CONVENTION

There being no further business, on Motion of **COUNCILMAN YURDIN**, Seconded by **COUNCILMAN NARDUCCI**, it is voted to adjourn at 5:40 o'clock P.M., to meet again **WEDNESDAY, JULY 2 , 2014 at 7:00 o'clock P.M.**

A handwritten signature in black ink, reading "Lori L. Hagen". The signature is fluid and cursive, with a long horizontal stroke at the end.

**LORI L. HAGEN
SECOND DEPUTY CITY CLERK**

**This meeting was recorded and the video may be viewed on demand via the internet.
Please visit the City Clerk web site or contact us directly for details.**