



# RESOLUTION OF THE CITY COUNCIL

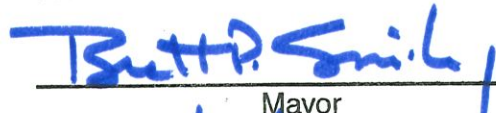
No. 434  
Approved November 13, 2024

RESOLVED, That the Mayor of the City of Providence is hereby  
Authorized by this Council to enter into the attached Memorandum of Agreement  
(MOA) with Lifespan Corporation, for a period of 3 years, as presented in Exhibit  
A attached here.

IN CITY COUNCIL  
NOV 07 2024  
READ AND PASSED

  
RACHEL M. MILLER, PRESIDENT  
  
CLERK

I HEREBY APPROVE.

  
\_\_\_\_\_  
Mayor  
Date: 11/13/24

**MEMORANDUM OF UNDERSTANDING**  
**with respect to**  
**VOLUNTARY PAYMENTS AND COMMUNITY CONTRIBUTIONS**  
**to be made to the**  
**CITY OF PROVIDENCE, RHODE ISLAND**  
**by**  
**LIFESPAN CORPORATION**

Dated as of September 27, 2024

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**I. PARTIES TO THE MEMORANDUM OF UNDERSTANDING**

**The City:** The City of Providence, Rhode Island is a municipal corporation, located in the State of Rhode Island, having a mailing address of Department of Administration, City Hall, 25 Dorrance Street, Providence, Rhode Island 02903.

**Lifespan:** Lifespan Corporation and its affiliated entities are an integrated regional healthcare delivery system with locations throughout the state of Rhode Island. Lifespan Corporation is a non-profit corporation that operates for the benefit of and to support each of its nonprofit charitable hospitals and other affiliated corporations. Lifespan Corporation exists pursuant to the law of the State of Rhode Island and has a mailing address of 167 Point Street, Providence, Rhode Island 02903.

**II. INTRODUCTION AND GUIDING PRINCIPLES**

This Memorandum of Understanding (“Memorandum”) between Lifespan Corporation (“Lifespan”) and the City of Providence (“the City”) sets forth the understandings of the parties with respect to voluntary payments and community contributions (as defined below) to be provided to the City by Lifespan. Over the duration of the MOU the total amount of voluntary payments is \$1.5 million from Lifespan as well as additional community benefits whose value will be quantified annually in support of the City of Providence.

By entering into this Memorandum, Lifespan acknowledges the importance of the relationship between Lifespan and the City and, therefore, agrees to make voluntary payments and community contributions to the City. The parties recognize that Lifespan, like other non-profit organizations providing healthcare services, provides substantial economic and non-economic benefits to the City and the community. In entering into this Memorandum, the parties are guided by the following principles:

- Lifespan is a private, non-profit, health system with hospitals, clinics, and laboratories that provide routine and lifesaving healthcare. The City recognizes and affirmatively supports that the continued growth, success, and financial sustainability of Lifespan and similar institutions is essential.
- Lifespan’s community programs largely benefit the City of Providence and its residents, including, but not limited to:
  - Free health and well-being programs provided by the Lifespan Community Health Institute;
  - Paid summer youth employment for teens;
  - Free job training programs for under- and unemployed adults;
  - Free paramedicine and street medicine programs;
  - Free respite care beds at Crossroads and Hallworth House; and
  - Fair chance employment programs for individuals post-incarceration
- The continued growth, success and financial sustainability of the City of Providence is critically important to Lifespan. A home City which is welcoming, safe, diverse, equitable and fiscally sound is essential.
- The City of Providence and Lifespan are committed to cooperatively working together toward common goals and objectives.
- The City recognizes and proactively supports growth and activities by Lifespan that promote the health and well-being of the City’s residents and that generate employment, purchasing, and consumption which contribute to positive economic development, and in the case of commercial partnerships and similar developments produce direct tax revenue. The City and Lifespan will work together to foster and promote these activities in the knowledge that they are mutually beneficial.

### **III. DURATION OF THIS MEMORANDUM**

This Memorandum shall take effect upon signing and continue in effect for a period of three (3) years, unless sooner terminated as provided herein.

### **IV. VOLUNTARY PAYMENTS**

Provided that the “Conditions to Payment” (as defined in Section VI below) have been satisfied and remain satisfied at all times during the term of this Memorandum, Lifespan commits to making defined, annual voluntary payments in the amount and as of the date(s) provided in Table V-1 below, otherwise known as PILOT payments (the “Voluntary Payments”).

Table V-1 – Voluntary PILOT Payments Schedule

|   | CASH      | PROJECTED<br>COMMUNITY<br>CONTRIBUTIONS | Total PILOT   |
|---|-----------|---|---------------|
| CITY FY2025*  | \$750,000 | \$50,000,000                            | \$50,750,000  |
| CITY FY2026*  | \$750,000 | \$50,000,000                            | \$50,750,000  |
| CITY FY2027*  | \$0       | \$50,000,000                            | \$50,000,000  |
| Total PILOT/ Community Benefit                        |           |   | \$151,500,000 |
| *Payment due by December 31 of the City's fiscal year |           |   |               |

In exchange for all Voluntary Payments being made in the first two years of the term of this Memorandum, Lifespan agrees that, in the third year of the term of this Memorandum, it shall enter into good faith negotiations with the City for a future voluntary PILOT program to commence no later than January 2028.

**V. OTHER COMMUNITY CONTRIBUTIONS TO THE CITY**

The parties recognize that Lifespan makes a broad range of community contributions to the City, including financial and in-kind contributions (“Community Contributions”). Lifespan acknowledges the goal of making and reporting annual voluntary Community Contributions in an amount equal to or greater than \$750,000 annually (the “Stated Goal”). In agreeing to this provision, the City and Lifespan acknowledge and agree that Community Contributions may vary from year to year and not achieving the Stated Goal will not result in any negative consequences for Lifespan or an expectation of increased Voluntary Payments or Community Contributions from Lifespan.

No later than December 31 of each year in which this Memorandum is in effect, Lifespan will submit a report and accounting to the City of the Community Contributions for the immediately prior fiscal year. The Community Contributions will be specific items directly attributable to the City and residents of Providence with quantified monetary values and provided with sufficient detail and documentation to be understood.

Examples of Community Contributions to the City and residents of Providence include:

- Tax revenue generated by commercial leases in properties owned by Lifespan;
- Services provided by Lifespan in lieu of the City in public spaces (e.g., trash removal, snow removal, maintenance and repair of public ways);

- Programs, services, and employment provided to primary and secondary school-age residents of Providence;
- Voluntary contributions to and financial support of K-12 education, including Providence Public School District, public charter schools serving City residents, and non-profit organizations support K-12 education;
- Voluntary payments to District Management Authorities and similar entities (e.g., Downtown Improvement District, Thayer Street DMA);
- Voluntary contributions and payments to public spaces, resources and parks and related organizations (e.g., Innovation District Park Downtown Providence Parks Network, Providence Resiliency Partnership, AMP);
- Voluntary contributions to and financial support of City- and public-serving non-profit organizations;
- Voluntary contributions or public safety personnel staffing and of dedicated space and facilities provided for exclusive use by the City (e.g., Providence Police sub-stations);
- Free and discounted health prevention, screening, and treatment services provided to City residents;
- Social needs screening, navigation, and case management services provided to City residents;
- Workforce training and advancement programs provided to City residents;
- In-kind and other forms of non-financial support for programs, services, and activities directly benefiting the City and its residents;
- Charity Care for City residents;
- Subsidized health services for City residents;
- Unreimbursed Medicaid costs for City residents;
- Support of medical education for City residents not otherwise; and
- Sponsorship of research by City residents or workforce.

## **VI. CONDITIONS TO PAYMENT**

“Conditions to Payment” shall mean that the City has provided Lifespan with all legislative and administrative actions necessary in order for the following to occur:

1. Extension of the I-1-200 Healthcare Institutional Sub-District from the current Rhode Island Hospital campus to the east to Allens Avenue and to the north to the I-195 on-ramp by no later than six (6) months from submission by Lifespan of complete applications and/or petitions therefor..
2. Re-connection of Plain Street from Dudley Street to Lockwood Street as a public right-of-way by no later than six (6) months from submissions by Lifespan of complete applications and/or petitions therefor. For the sake of clarity, the City in no way promises to undertake the construction or reconstruction of this portion of Plain Street but commits to maintaining the road after it is constructed or reconstructed by Lifespan.

Nothing herein shall entitle Lifespan to the legislative or administrative actions necessary to meet the Conditions to Payment, although the City’s administration shall make best efforts to support Lifespan’s applications and/or petitions for the necessary legislative and administrative actions, so long

as such support is consistent with the City's Comprehensive Plan. Lifespan acknowledges that it has no enforcement rights with respect to the legislative and/or administrative actions that require the approval of independent municipal bodies of the City. Notwithstanding, if either of the Conditions to Payment fails to occur by the applicable dates specified above, it is specifically agreed and understood that the Conditions to Payment shall not be satisfied, and that this Agreement shall be re-opened for negotiation and further agreement. In no event, however, shall the City be required to reimburse Lifespan for any voluntary payments or community contributions already received.

In the event that the Conditions to Payment have been satisfied and Lifespan fails to make any payment to the City in accordance with the time frame specified herein for such payment, the City shall be entitled to seek damages in a court of law. There shall be no notice and cure opportunities for Lifespan with respect to monetary damages.

## **VI. MISCELLANEOUS**

- No Challenge or Increase Requests. For the duration of the Memorandum, so long as Lifespan abides by its provisions, the City shall not challenge or otherwise contest or seek to amend or circumvent through ordinance or statute or enabling legislation or any other means the tax-exempt status of Lifespan as recognized and affirmed by the Constitution of the State of Rhode Island and Section 501(c)(3) of the Internal Revenue Code, and the City agrees to refrain from incremental requests for additional Voluntary Payments.
- Other Payments or Taxes. If, while this Memorandum is in effect, the City assesses or imposes any taxes, fees, charges, or payments not in effect as of the date this Memorandum is executed ("Other Payments or Taxes") in respect to Lifespan's tax exempt property or currently tax-exempt operations, then in addition to any other right that Lifespan may have, Lifespan may contest the making of such Other Payments or Taxes and/or may offset (i.e., deduct) such Other Payments or Taxes from the Voluntary Payment or other payments volunteered to be made under this Memorandum and pay the Other Payments or Taxes under protest reserving Lifespan's rights. The term "Other Payments or Taxes" shall exclude water and sewer use charges, and the like, and other fees charged to Lifespan's property which are uniformly applicable to similar property (regardless of ownership, use, or tax status) in the City.
- Additional requests. For the duration of the Memorandum, the City shall agree that no additional requests will be made by the City to Lifespan for financial contributions to the City of any type, such as but not limited to sponsorship of City events (e.g., PVDfest), streetscape improvements, public space improvements, and similar requests.
- Tax Status Unaltered. The parties agree that nothing in this Memorandum affects, alters, diminishes, or increases the legal status, force, or effect of Lifespan's exemption from taxation. All parties agree that this Memorandum is a voluntary undertaking by Lifespan that was entered into notwithstanding Lifespan's exemption or non-exemption from taxation.
- General. Captions and section titles are for convenience of reference only and shall not be used to construe this Memorandum. References to a Section include subsections thereof. This

Memorandum may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall be deemed to constitute one instrument. This Memorandum constitutes the entire understanding between the parties and supersedes all previous discussions, negotiations, and agreements between the City and Lifespan with respect to the understandings herein.

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

**THE CITY OF PROVIDENCE**

**LIFESPAN CORPORATION**

By (print): The Honorable Brett P. Smiley, Mayor

By (print):

By (sign):

By (sign):

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\_\_\_\_\_

Date:

Date:

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**Approved as to form and correctness:**

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Jeffrey Dana, City Solicitor