

CHAPTER 2018-54

No. 508 AN ORDINANCE AMENDING CHAPTER 2017-10, ORDINANCE NO. 191 OF THE PROVIDENCE CODE OF ORDINANCES, ESTABLISHING A TAX EXEMPTION AND STABILIZATION PLAN FOR DOMINION MANCHESTER STREET, INC.

Approved November 8, 2018

Be it ordained by the City of Providence:

This modification agreement (the "Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Dominion Energy Manchester Street, Inc. ("Dominion") (collectively, the "Parties").

WHEREAS, on or about the 29th day of August, 2016 the City and Dominion executed a tax stabilization agreement relative to the "Manchester Street Power Station").

WHEREAS, on or about the 12th day of May, 2017 the City and Dominion executed an amended and restated tax stabilization agreement relative to the "Manchester Street Power Station" for the purpose of modifying Sections 2.3 and 3.7 (the "TSA").

WHEREAS, the purpose of this Agreement is to memorialize a further modification to the TSA which provides for the following: (1) a revision to the Tax Stabilization Plan to provide for an additional payment of \$150,000.00; and (2) the removal of the agreements relative to the transfer of the use of Collier Park from Dominion to the City.

NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration, the receipt of which is hereby acknowledged, the parties agree that:

1. Section 2.3 of the TSA is hereby modified to read as follows:
- 2.

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of real and personal property taxes to be paid by the Property Owner with respect to the Dominion Property, notwithstanding the valuation of the Dominion Property or the then-current rate of tax as follows (hereinafter the "Tax Stabilization Plan"):

Taxes assessed as of December 31	For Tax Year	For Fiscal Year	Annual Tax Payments To City
2015	2016	July 1, 2016-June 30, 2017	\$9,000,000.00
2016	2017	July 1, 2017-June 30, 2018	\$7,760,000.00
2017	2018	July 1, 2018-June 30, 2019	\$7,860,000.00
2018	2019	July 1, 2019-June 30, 2020	\$7,810,000.00

3. Section 3 of the TSA is hereby deleted in its entirety and shall be null and void and of no further effect.
4. Section 2.9 of the TSA is hereby modified by changing the word "Sections" to "Section", and by deleting the words "andSection 3.7" from Section 2.9.

**MODIFICATION TO THE AMENDED AND RESTATED
TAX STABILIZATION AGREEMENT**

This modification agreement (the "Agreement") is made by and between the City of Providence, a Rhode Island municipal corporation ("City") and Dominion Energy Manchester Street, Inc. ("Dominion") (collectively, the "Parties").

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NOW THEREFORE, in consideration of the mutual agreements and promises set forth herein and other good and lawful consideration, the receipt of which is hereby acknowledged, the parties agree that:

1. Section 2.3 of the TSA is hereby modified to read as follows:

Section 2.3. Plan. During the tax stabilization term as defined in Section 2.2 above, the City has determined the stabilized amount of real and personal property taxes to be paid by the Property Owner with respect to the Dominion Property, notwithstanding the valuation of the Dominion Property or the then-current rate of tax as follows (hereinafter the "Tax Stabilization Plan"):

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2018	2019	July 1, 2019-June 30, 2020	\$7,810,000.00

2. Section 3 of the TSA is hereby deleted in its entirety and shall be null and void and of no further effect.
3. Section 2.9 of the TSA is hereby modified by changing the word "Sections" to "Section", and by deleting the words "and 3.7" from Section 2.9.

4. Section 7.2 of the TSA is hereby modified by deleting the words "Section 3.7 above" from Section 7.2.
5. Section 7.4 of the TSA is hereby modified by changing the word "Sections" to "Section", and by deleting the words "and 3.7" from Section 7.4.
6. Except as modified by this Agreement, all other provisions of the TSA shall remain in full force and effect.

In the event any of the terms of this Agreement conflict with or are contrary to the terms of the TSA, the terms of this Agreement shall govern. Capitalized terms not otherwise defined in this Agreement shall have the same meanings set forth in the TSA.

Upon the execution of this Agreement and after ratification by the City Council, the Property Owner shall record this Agreement, at its expense, in the City's official public land evidence records within thirty (30) days of such ratification.

IN WITNESS WHEREOF, the provisions of this Agreement shall only take effect upon approval by Providence City Council.

DOMINION ENERGY MANCHESTER STREET, INC.	CITY OF PROVIDENCE
By: <u>K-WZ</u> <small>Authorized Signature</small> Print Name: <u>Keith Windle</u> Title: <u>VP Business Development and Merchant Operations</u> Address: <u>Dominion Resources</u> <u>120 Tredegar Street</u> <u>Richmond, VA 23219</u> Date: <u>10/23/18</u>	By: <u>[Signature]</u> <small>Authorized Signature</small> Print Name: <u>Jorge O. Elorza</u> Title: <u>Mayor of Providence</u> Address: <u>City Hall</u> <u>25 Dorrance Street</u> <u>Providence, RI 02903</u> Date: <u>11/5/2018</u> Approved as to form and correctness: <u>[Signature]</u> Jeffrey Dana, City Solicitor

Hagen, Lori

From: Kevin Descoteaux <kdescoteaux@cox.net>
Sent: Monday, July 23, 2018 3:01 PM
To: Hagen, Lori
Subject: Re: Dominion Manchester St power plant

Lori Hagen

Re: Dominion Manchester St power plant

Hi Lori, I am writing to express my opposition to the modification of tax stabilization plan (ordinance 186710).

I work long hours and therefore will not be able to attend tonight's hearing.

I am against the plan to lower Manchester's tax by such an amount. It's not right for the cit, state or residents of our area.

I know the financial problems that plague our city (and state). This plan is disasterous to the fiscal stability of the city. With pensions underfunded, decaying schools, roads and other infrastructure, and while there are plans to sell our water rights to politically connected parties, etc, I think it is grossly irresponsible to take away this vital source of income. This is especially true considering the fact that these companies rarely clean up the messes they leave behind. I wish I had time to write more.

Respectfully,

Kevin Descoteaux,
328 Admiral St,
Providence, RI

Sent from my Verizon 4G LTE Droid

Hagen, Lori

From: Martina Muller <martina.muller9@gmail.com>
Sent: Monday, July 23, 2018 10:58 AM
To: Hagen, Lori
Subject: Written testimony regarding Ordinance 18670

23 July 2018

Dear members of the Providence City Council Finance Committee,

Thank you for the opportunity to provide my written comments about proposed city council ordinance 18670. My name is Martina Muller and I am a resident of South Kingstown, RI.

I am opposed to this ordinance that will grant a reduction in annual tax payments from Dominion Energy Manchester Street, Inc. to the city of Providence by \$150,000 and remove the agreements relative to the transfer of the use of Collier Park from Dominion to the city.

We should not be incentivizing the use of fossil fuels though tax breaks. The state of Rhode Island should move toward supplying its energy system with the clean renewable sources of water, wind and sun power rather than the burning of natural gas which pumps toxins, carbon dioxide and methane into the air which harms people's health and exacerbates the climate crisis.

Thank you for your consideration and I respectfully ask your opposition to Ordinance 18670.

Sincerely,

Martina Muller

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Martina S. Muller, PhD
Postdoctoral research fellow
McWilliams Lab
Department of Natural Resource Sciences
University of Rhode Island

Hagen, Lori

From: Christine Muller <chmuller99@hotmail.com>
Sent: Monday, July 23, 2018 10:54 AM
To: Hagen, Lori
Subject: No Tax Cuts for Dominion - Testimony for Providence City Council Committee on Finance

Dear Providence City Council Committee on Finance,

I urge you not to give a tax break to the Manchester Street Power Station. Providence is in desperate need of more tax revenue. But even more important, it does not make any sense to support the fossil fuel industry at a time when global warming has already resulted in devastating climate change impacts. Climate change is a global emergency. Natural gas – methane – is an extremely strong greenhouse gas. All scientific evidence and all ethical reasons demand a quick transition to clean energy.

Yours, sincerely,
Christine Muller
5 Carriage Lane
Kingston RI 02881
(401) 789-5336

Hagen, Lori

From: Todd W. Ellison, MSW, LICSW <toddwellison@aol.com>
Sent: Monday, July 23, 2018 9:12 AM
To: Hagen, Lori
Subject: Testimony - Opposed

I am writing to ask that you oppose the proposed tax break to Manchester Street power station.

Natural gas is far from natural or safe, and for environmental reasons, notably global warming, we should be doing everything we can to get off fossil fuels. Giving tax breaks to fossil fuel burning power plants irresponsibly incentivizes their continued use and possible expansion.

Todd W. Ellison, MSW, LICSW
432 Academy Avenue
Providence, RI 02908
(401) 447-5952

Hagen, Lori

From: Angel <alop1983@protonmail.com>
Sent: Monday, July 23, 2018 1:04 AM
To: Hagen, Lori
Subject: Public Comments for 7/23 Hearing

Hi Lori,

I am unable to make it to the hearing at 5:00PM. In the body of this email are my comments in regards to the Manchester Power Plant. Please see that it reach all Finance Committee members prior to the hearing. My contact information is also included below.

07/23/2018

To Providence City Council on Finance Committee,

Dominion should not be granted any additional tax exemption or tax break of any kind. Bloomberg News announced Dominion is planning to sell the Manchester Street Power Plant. The City should be trying to acquire the \$300,000 from Dominion for not helping as much as it can for rights to access Collier Park. After the Federal tax breaks, why is it beneficial for the city to aid the sale of Manchester Street Power Plant? In these financially volatile times, how can you help a company if your citizens do not directly benefit? Are you planning on providing a tax break to any other party who purchases the power plant? Will you continue to give Dominion or any other company a pass after it fails to uphold their end of a deal?

You should make an example of Dominion for violating the City's trust, since the Manchester Power Plant is generating income from Providence residents. Simply put, the power plant exists because we do and more tax breaks for the power plant means fewer capable residents due to less revenue for the City feeding a lower bottom line for Dominion. This is an everybody loses situation. If tax breaks make the city more attractive for business, why are you allowing a fossil fuel energy supplier walk all over you? We live in a free capitalist society during an evolving electrical age, so don't let a cave man's state of mind limit your existence.

Thank you for taking the time to read this.

Angel L Lopez
41 Dorchester Ave FL3
Providence, RI 02909

Sent with [ProtonMail](#) Secure Email.

Hagen, Lori

From: Benz, Julia <julia_benz@brown.edu>
Sent: Monday, July 23, 2018 12:20 AM
To: Hagen, Lori
Subject: MANCHESTER STREET POWER PLANT TAX BREAK

Hello Ms. Lagen,

I am a student at Brown who has come to love Providence and the community, and I very concerned with this proposed tax break. A tax break will simply help the station out of a declining industry {see <https://www.marketwatch.com/story/eia-reports-bigger-than-expected-decline-in-us-natural-gas-supply-2018-01-25>}. The market will eventually lead to renewables and allowing tax breaks simply does not represent the wishes of the community for its own security and safety in the long term.

In addition, taking away Collier Park as one of the few green spaces in Providence (especially near lower income areas that have less access to green spaces which have been proved to help with anxiety and even increase productivity [see <https://doi.org/10.1016/j.jth.2018.02.003>]), would further hurt the community.

Thank you for your time,
Julia Benz