

THE CITY OF PROVIDENCE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

# RESOLUTION OF THE CITY COUNCIL

No. 426

Approved September 11, 1992

RESOLVED, That the City Council of the City of Providence hereby exempts from taxation the Real and Personal Property of The Providence Performing Arts Center located at 220-228 Weybosset Street, same being Lot 321 on City Assessor's Plat 20, this Act having been passed by the General Assembly and signed by the Governor on July 12, 1990 and rescinding Resolution No. 324, approved July 10, 1992.

IN CITY COUNCIL  
SEP 3 1992  
READ AND PASSED  
*James H. Brannelli*  
PRES.  
*Richard L. Clement*  
CLERK

APPROVED  
SEP 11 1992  
*Vincent A. Cianci*  
MAYOR

IN CITY COUNCIL  
AUG 6 1992

FIRST READING  
REFERRED TO COMMITTEE ON  
FINANCE

Michael R. Christ Clerk

THE COMMITTEE ON  
FINANCE

Approves Passage of  
The Within Resolution

Michael R. Christ  
8/27/92 Chairman  
Clerk

Council President Petrosinelli (By request)



# PROVIDENCE PERFORMING ARTS CENTER

Board of Tax Assessment Review  
City Of Providence  
Providence RI 02903

8/17/88

Dear Sirs:

This appeal is being filed on the behalf of the Providence Performing Art Center (PPAC) concerning its December 1987 tax bill which resulted from the recent revaluation. PPAC is questioning its taxability, and was instructed to file this appeal by the Mayors Office as part of the process in reviewing our current status on the tax roles. The enclosed data and explanation of our position is part of our appeal over the taxability and valuation of PPAC.

PPAC is a non-profit Theater in the form of a non-business Corporation, considered a 501 (c)(3) organization by the Federal government. A copy of both our 501 (c)(3) status (exhibit A) and our Articles of Incorporation (exhibit B) are enclosed. You will note that the Articles of Incorporation indicate that if PPAC should liquidate, all of its assets would be distributed to other non-profit community oriented organizations. We have enclosed copies of our financial statements for the fiscal year ending 6/30/88 and the most recent month of 7/88. Our 12/31/87 financial statements would only represent six months of our fiscal year, and therefore would not reflect an accurate financial picture.

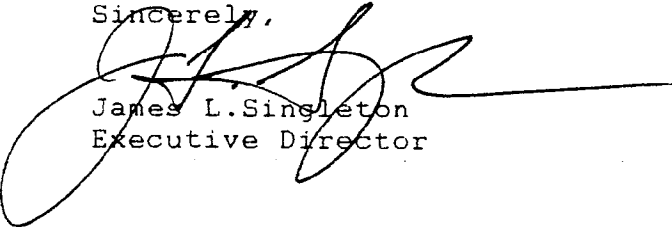
The enclosed June financial statements (exhibit C) reflect net results in the Operating fund of \$ 59,000. But it is important to note that \$ 53,585 of that amount was attributable to Corporate Subsidy for operations. Another important factor to note is that our financial statements do not reflect any charges for depreciation which accounts for the obsolescence of fixed assets. It is estimated that if depreciation had been factored into our current years results, we would have run a deficit of \$ 10,000 for the Fiscal 87-88 year. Also included in our operating revenue was \$ 67,000 of rental income attributed to our lease property. Those dollars are required to run the center and are part of our breakeven budget. The remaining excess for the fiscal 87-88 year has already been committed to the funding of a capital project during the 88-89 year. You will note by looking at PPAC's balance sheet that we have an Endowment fund which was increased at the end of this fiscal year out of our operating surplus. These funds which are Board designated are the only parachute that PPAC has to cover operating expenses if it has a bad year. The amount currently in the Endowment would not even cover one years operating budget.

The July 88 financial statements reflect a deficit in our operating fund of \$ 29,223 , which accentuates the volatility of our business.

In Summary, it is PPAC's opinion that we should not be subject to a tax assessment, but instead should be off the tax rolls. We are a non-profit organization that operates with a minor surplus which is always rolled over into building renovations, to better serve our patrons. Receipts from rental properties are an integral part of our breakeven operating budget and the space account for a small percentage of our total square footage. Other buildings in communities similar to us pay no taxes and in some cases receive operating subsidies from their cities. We realize we have been paying taxes in the past and would be willing to continue with a payment to the city of approximately \$ 20,000 a year in lieu of taxes.

If any additional information is required, please feel free to contact us.

Sincerely,



James L. Singleton  
Executive Director

CC: Bruce G. Sundlun  
Mayor Joseph R. Paolino, Jr.