

# RESOLUTION OF THE CITY COUNCIL

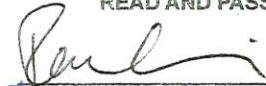
No. 465

Approved December 10, 2025

RESOLVED, That the Mayor of Providence is hereby authorized to execute the attached lease with WaterFire Providence for the property located at 475 Valley Street.

IN CITY COUNCIL

DEC 04 2025  
READ AND PASSED



RACHEL M. MILLER, PRESIDENT

  
CLERK

I HEREBY APPROVE.

  
Mayor

Date: 12/10/2025

## LEASE

This LEASE (the "Lease") is entered into between the City of Providence (the "Lessor" or the "City") and WaterFire Providence, a Rhode Island nonprofit corporation (the "Lessee"), on the latest date signed below. The City and Lessee shall hereinafter collectively be referred to as the "Parties." It is agreed by the Parties as follows:

1. Property: The Lessor hereby leases to the Lessee the land and buildings at 475 Valley Street, Providence, RI 02908, commonly known as the WaterFire Arts Center, and known as Assessor's Plat 027, Lot 296 (the "Property").
2. Term and Termination: The term of this Lease shall be for a twenty (20) year period, which period shall begin immediately following the Lessor's acquisition of the Property (the "Term") and shall expire, unless earlier terminated or extended pursuant to the terms of this Lease, on \_\_\_\_\_. The Lessee shall be entitled to terminate this Lease upon providing the Lessor with notice of its intention to terminate this Lease at least one (1) year in advance of the termination date. In the last year of the Term, Lessor agrees to discuss the future of the Property with Lessee, including consideration of another lease or sale of the Property to Lessee.
3. Rent: During the twenty (20) years of the Term, the Lessee will pay to the Lessor annual rent in the amount of one dollar (\$1). For convenience, this rent may be paid up front in one non-refundable payment of twenty dollars (\$20).
4. Property Use: Lessee shall be entitled to utilize the Property in a manner that serves Lessee's business operations for the Term of the Lease. Lessee shall have exclusive use and possession of the Property for the Term. Notwithstanding, Lessee will observe and comply with all present and future laws, ordinances, rules, and regulations (the "Property Requirements") of federal, state, and city governments, and all other governmental authorities affecting the Property; provided, however, that the Lessee shall be entitled to a reasonable amount of time to bring the Property into compliance with existing Property Requirements.
5. Benefits to the City of Providence. During the Term of the Lease, the Lessee shall provide the following:
  - (a) Label the City as Partner across all full lightings, a new recognition type. WaterFire commits to producing a minimum of eight full lightings and five partial lightings in each normal year.
  - (b) Label the City as Partner for the Arts Center and the events sponsored by WaterFire Providence that take place there, a new recognition type.

6. Condition of the Property, Repairs, Maintenance, and Utilities.

- (a) Except as otherwise set forth herein, the Lessee agrees to keep the Property in a condition not worse than the condition existing as of the commencement of the Term, reasonable wear and use and casualty excepted.
- (b) The Lessee shall pay for and perform exterior grounds maintenance on the Property during the Term to keep the sidewalks, curbs, drives, and grounds in good order and repair, in clean and orderly condition, and safe for pedestrians within the building, free of dirt, rubbish, snow, ice, and unlawful obstructions; such exterior grounds maintenance shall include, but not be limited to, recycling and waste removal, grass mowing, snow removal, snow plowing, and sanding/salting.
- (c) The Lessee shall pay for or perform recycling and waste removal for the Property.
- (d) The Lessee shall be responsible for custodial services required to maintain the interior of the Property.
- (e) The Lessee shall be responsible for directly contracting with any utility providers and paying any utility invoices directly to such utility providers.
- (f) The Lessee shall not make any alterations, additions, and/or improvements to the Property without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned, or delayed, provided such alterations, additions, and/or improvements do not decrease the value of the Property in any material respect.
- (g) Except for moveable equipment and trade fixtures (including, without limitation, any window air conditioning units), any alterations, additions, or improvements (including Structural Alterations) to the Property made by the Lessee during the Term shall, upon the expiration of the Term, become the property of the Lessor without payment therefore by the Lessor, and shall be deemed included in the Property, and the terms and conditions of this Lease shall be fully applicable thereto. The Lessee may, prior to making any such additions, alterations, or improvements, request the Lessor's consent to their removal at the end of the Term. Lessee shall have no obligation to remove any alterations, additions, or improvements (including Structural Alterations) to the Property upon the expiration of the Term.
- (h) Lessee shall promptly pay all amounts owing to its contractors and materialmen, so as to avoid the possibility of a lien attaching to the Property, and should any such lien be made or filed, the Lessee shall bond against or discharge the same within thirty (30) days after written notice by the Lessor.
- (i) In the event that Lessee does not bond against or discharge any lien filed against the property by contractors or materialmen supplying labor or materials to the Property on behalf of Lessee, lessee shall reimburse the Lessor for attorneys' fees incurred in defense of proceedings to enforce or foreclose such lien(s).

7. Insurance:

- (a) Lessee will obtain and pay for commercial general public liability insurance insuring against loss from and liability for damages on account of loss or injuries suffered by any person within or upon the property, the coverage and protection of such insurance to be not less than the following: on account of an event resulting in injuries to one person, including death, Five Hundred Thousand Dollars (\$500,000), subject to the same limit for each person; on account of any one event resulting in injuries to more than one person, including death, One Million Dollars (\$1,000,000); and on account of an accident resulting in damage to property, One Hundred Thousand Dollars (\$100,000). Lessee shall include the Lessor as an additional insured on such general commercial public liability insurance.
- (b) The Lessee will obtain and pay for property and casualty insurance on the Property, in an amount equal to full replacement cost thereof with an agreed upon amount endorsement, such insurance to afford protection against fire and other perils customarily covered by a so-called special form "all risk" policy. The Lessee shall include as mortgagee and loss payee on such property and casualty insurance the Lessor and any mortgagee or holder of indebtedness secured by any mortgage or trust deed upon the leasehold estate which the Lessor or such mortgagee or trustee may request to be included as an additional insured in writing to the Lessee.
- (c) In the event of any damage or destruction of the Property resulting from a cause of casualty covered by insurance, the Lessee shall promptly notify the Lessor and the insurer and within sixty (60) days file proof of the loss with the insurer and proceed with the collection of the claim without delay.
- (d) Any insurance policy required pursuant to this Lease shall not be canceled without at least thirty (30) days prior written notice to each insured named therein, except in the event of non-payment, which shall require ten (10) days written notice prior to cancellation. On or before the commencement of the Term and thereafter prior to the expiration date of each expiring policy, certificates of such policies by such insurers shall be delivered by the Lessee to the Lessor and by the Lessor to the Lessee, as applicable.

8. Assignments and Subleases: Lessee will not assign or encumber its respective interest in this Lease or in the Property without first obtaining the Lessor's written consent, which consent shall not be unreasonably withheld or delayed, provided that, without the Lessor's consent, Lessee may sublet the Property or any portion thereof.

9. Lessee Default:

- (a) The Lessee will be in default under this Lease upon the occurrence of any of the following events or conditions:
  - (i) The Lessee's failure to pay rent or make other payments at the time and the manner provided for herein, such failure having continued for a period of ninety (90) days after Lessee's receipt of written notice from the Lessor.

(ii) The Lessee's failure to perform or fulfill any other material term, condition, or agreement contained or referred to herein, such failure having continued for a period of ninety (90) days after Lessee's receipt of written notice thereof from the Lessor, provided that if the default is of such a nature that it cannot be cured within said ninety (90) day period, Lessee shall have such additional time as is needed to cure provided it uses its due diligence to do so.

(b) Upon the occurrence of an event of default under this Section, after the expiration of any notice and cure period, the Lessor may, at its option, terminate this lease by written notice to the Lessee and expel the Lessee and those claiming under the Lessee, without being guilty of any manner of trespass.

(c) No such expiration or termination of this Lease shall relieve Lessee of its liability and obligation under this Lease arising prior to or upon expiration or termination, and such liability and obligations shall survive any such expiration or termination.

10. Lessor Default: The Lessor will be in default under this Lease upon the Lessor's failure to perform or fulfill any term, condition, or agreement contained or referred to herein, such failure having continued for a period of ninety (90) days after notice thereof to the Lessor by the Lessee. Upon the occurrence of an event of default under this Section, the Lessee may, at its option, in addition to its remedies at law, terminate this lease by written notice to the Lessor, and thereafter the Lessee shall have no further obligations to the Lessor hereunder.

11. Option to Purchase: At any time during the Term of this Lease, Lessee may petition the City Council to purchase the Property in accordance with, and subject to the requirements of, Section 416 of the Providence Home Rule Charter.

12. Indemnification: The Lessee does hereby agree to indemnify and hold the Lessor harmless from and against any cost and expense of any litigation and from and against any and all actions, causes of action, claims, demands, damages, and/or judgments (a "Claim") that may be brought against the Lessor as a result of the Lessor entering into this Lease. The Lessor shall give the Lessee prompt notice in writing of any action or proceeding relating thereto. The Lessee shall have the option to defend against any such Claim with counsel of its choice, and the Lessor agrees to cooperate reasonably in any such defense. As long as the defense is being handled by the Lessee, the Lessor shall not settle any such claim, action, or proceeding without the prior written consent of the Lessee. In the event the Lessee shall elect not to defend any such claim, action, or proceeding, the Lessee shall indemnify the Lessor as herein provided.

Lessee shall make no claim against Lessor for any loss, damage, or injury to Lessee or Lessee's property arising out of any fire, theft, or casualty in the Property except in cases of the omission, fault, negligence, or other misconduct of the Lessor's servants, agents, or employees subsequent to the execution of this Lease.

13. Notices: No notice, approval, consent, or other communication permitted or required under this Lease will be effective unless sent post pre-paid, by United States registered or certified

mail, return receipt requested, to the other party at the following addresses: if to the City: Chief Operating Officer, 25 Dorrance Street, Providence, RI 02903, with a copy to the City Solicitor, Law Department, 444 Westminster Street, Suite 200, Providence, RI 02903; if to the Lessee: Mark Allan, WaterFire Providence, 475 Valley St., Providence, RI 02908.

14. Approvals. If required under the terms of the Lease, approval of (i) any alterations or improvements by the Lessor, (ii) any alternate uses of the Property, or (iii) any estoppel agreement may be made by and on behalf of the City by the City Solicitor, Law Department, 444 Westminster Street, Suite 200, Providence, RI 02903]. All approvals pursuant to this Section 14 are subject to the terms and conditions of this Lease.
15. Signage: The Lessee shall be allowed to erect signage consistent with the City's Zoning Ordinance on the Property, including on the building face, without Lessor's consent.
16. Destruction by Casualty: If the Property is damaged or destroyed in whole or part by storm, fire, lightning, earthquake, natural disaster, war, terrorism, Act of God, and/or other casualty, the Lessee shall promptly commence restoration of the Property, provided that the insurance coverage required in Section 7(b) covers said damage, to substantially its condition immediately prior to such destruction and shall continue such restoration with all due diligence and dispatch. The Lessee will commence restoration within thirty (30) days of insurance approval and complete it in a timely manner. If access to the Property is substantially denied to Lessee, or twenty-five percent (25%) or more of the usable area of the Property is rendered unusable by Lessee, in Lessee's good faith judgment, as a result of such casualty, then Lessee may cancel this Lease by written notice to the Lessor and this Lease shall terminate thirty (30) days after the date of such notice. The Lessor shall have no obligation to make any payments to compensate the Lessee, its mortgagee, or holder of indebtedness.
17. Eminent Domain:
  - (a) If the entire Property shall be taken for public purposes, then this Lease shall terminate as of the date the Lessee shall be required by law to vacate the Property or earlier upon the Lessee's election by giving at least thirty (30) days prior written notice to the Lessor.
  - (b) If such portion of the Property or access thereto shall be taken so as to render the Property unsuitable for the continuance of the Lessee's business in substantially the same manner as was being conducted immediately prior to such taking, the Lessee shall have the right to terminate this Lease by giving at least thirty (30) days prior written notice to the Lessor.
  - (c) Nothing herein shall be deemed to prevent Lessee from making a claim in any condemnation proceedings or to pursue an independent claim in response to such condemnation proceeding.
18. Covenant of Quiet Enjoyment: The Lessor covenants that upon the Lessee's paying the rent herein reserved and performing and observing all the other covenants to be performed and observed on the part of Lessee, Lessee may use and occupy the Property throughout the Term.

19. Non-Disturbance: The Lessor covenants and agrees to obtain for, and to provide to, Lessee from each mortgagee or holder of indebtedness secured by any mortgage or trust deed upon the leasehold estate, beneficiary under a deed of trust, underlying Lessor or other party whose title might now or hereafter become superior to the title of the Lessor, or who may perfect any title that might otherwise cause a termination of this Lease (collectively, the "Superior Parties"), a written agreement, in form and substance reasonably satisfactory to Lessee, providing that Lessee's use, occupancy, and possession of the Property, and other rights, under this Lease will not be disturbed so long as the Lessee shall not be in default hereunder beyond any applicable grace or cure period for curing the same. The Lessor represents and warrants to Lessee that there are as of the date of this Lease no Superior Parties.
20. Estoppel Certificate: The Lessor and the Lessee agree, at any time, and from time to time, upon not less than 21 days' prior written notice from the other party, to execute, acknowledge, and deliver to the requesting party, and to any mortgagee or holder of indebtedness secured by any mortgage or trust deed upon the leasehold estate, or any other specific third party which the requesting party may designate a statement in writing addressed to the requesting party and other party designated by the requesting party certifying all of the following: this Lease is in full force and effect without any amendments or modifications (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications), stating the actual commencement and expiration dates of this Lease, stating the dates to which rent and other charges, if any, have been paid, and stating whether or not to the knowledge of such party there exists any default by either party in the performance of any covenant, agreement, term, provision, or condition contained in this Lease, and, if so, specifying each such default of which the signer may have knowledge and the claims or offsets, if any, claimed by the certifying party; it being intended that any such statement delivered pursuant hereto may be relied upon by the party to whom it is certified.
21. No Partnership. It is understood and agreed by the Parties hereto that this Lease does not create a fiduciary relationship between them, that Lessee shall be an independent contractor, and that nothing in this agreement is intended to constitute that either party become an agent, legal representative, subsidiary, joint venture, partner, employee, or servant of the other for any purpose whatsoever, and neither shall have the power to bind or obligate the other except as set forth herein.
22. Amendments, Waivers, Consents, etc.: No assent, express or implied, by one party to any breach of any covenant or condition herein contained on the part of the other to be performed or observed, and no waiver, express or implied, or failure by one party to insist on the other's prompt performance or observance of any such covenant or condition, shall be deemed to be a waiver of or assent to any succeeding breach of the same, or any other covenant or condition, and, except as provided herein, any party may assert its rights and remedies hereunder without any prior or additional notice to the other that it proposes to do so.

Wherever any consent or approval is required from any party to this Lease, it shall not be unreasonably withheld or delayed.

23. Modifications. No modification of any provision of this Lease shall be of any force or effect unless in writing signed by the Parties hereto.
24. Cumulative Rights: All rights and remedies which either party may have hereunder shall be cumulative, and the exercise of any one of such rights shall not bar the exercise of any other right or remedy which said party may have.
25. Entire Agreement: This instrument contains the entire and exclusive agreement between the parties and supersedes and terminates all prior or contemporaneous arrangements, understandings, and agreements, whether oral or written. This Lease may not be amended or modified, except by a writing executed by the Lessor and the Lessee.
26. Governing Law and Severability: This Lease shall be governed by and interpreted in accordance with the laws of the State of Rhode Island. In the event any provision of this Lease shall be determined to be invalid or unenforceable under applicable law, such provision shall, insofar as possible, be construed or applied in such manner as will permit enforcement; otherwise, this Lease shall be construed as if such provision had never been made part hereof.

IN WITNESS HEREOF, the City of Providence and WaterFire Providence have caused this Lease to be executed as of the latest date below.

**CITY OF PROVIDENCE**

By: Brett P. Smith

Its: MAYOR

Date: 12/10/2025

**WATERFIRE PROVIDENCE**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form and correctness:

\_\_\_\_\_



**LEGACY IN MOTION**  
FOLLOWED BY *The Providence Foundation*

November 4, 2025

The Honorable Jo-Ann Ryan  
Chair  
Providence City Council Finance Committee  
25 Dorrance Street  
Providence, RI 02903

Dear Chair Ryan and Honorable Members of the Finance Committee

On behalf of the Providence Foundation, I write to express my strong support for executing a lease agreement with WaterFire Providence for the property located at 475 Valley Street. As a nonprofit organization dedicated to advancing economic growth, urban vitality, and quality of life in Providence, we recognize the critical importance of sustaining WaterFire and the significant role it plays in Rhode Island's economy.

WaterFire is not only an internationally recognized cultural event but also a cornerstone of Providence's identity and economic vitality. Each season, nearly one million visitors are drawn to our downtown, supporting local businesses and highlighting Providence as a vibrant and creative capital.<sup>1</sup> Beyond its signature events, WaterFire has evolved into a year-round community partner, offering workforce training, creative placemaking, and youth engagement programs that align with the Foundation's mission and the City's economic development goals.

The lease at 475 Valley Street is essential to WaterFire's continued success. The site has become a hub for the creative economy, providing space for artists, production, storage, and community activities. A long-term, stable lease will allow WaterFire to plan strategically, attract private investment, and expand programs that benefit residents across the city.

Approving this lease represents an investment in Providence's cultural infrastructure, creative economy, and community partnerships. I respectfully urge the Finance Committee and the full City Council to approve this resolution.

Sincerely,

David Salvatore  
Executive Director  
The Providence Foundation

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<sup>1</sup> <https://waterfire.org/about/frequently-asked-questions/>

**Robert F. McMahon**

**44 Sharon Street, Providence, RI 02908**

November 3, 2025

**RE: Proposed Water Fire Building Lease for 475 Valley Street**

Dear Honorable Council Members:

I am writing to urge the Finance Committee and the full City Council to amend the proposed lease between the City and Water Fire regarding Section 2. Rent.

The Council should not vote in favor of this lease unless an adequate rent is required of the Lessee. The existing proposed rent of \$1 per year is an insult to the taxpayers and residents of Providence.

I propose the following rent schedule:

Years 1 - 5: \$50,000/year to be paid in monthly installments of \$4,166.67/month

Years 6 - 10: \$75,000/year to be paid in monthly installments of \$6,250/month

Years 11 - 15: \$100,000/year to be paid in monthly installments of \$8,333.33/month

Years 16 – 20: \$150,000/year to be paid in monthly installments of \$12,500/month

Why Should Water Fire pay this proposed rent?

1. The City is eliminating Water Fire's existing debt by purchasing the Water Fire building at a purchase price of \$3.5 million which over the term of the bond to pay for this purchase will cost Providence taxpayers \$6.7 million. This is a one-time subsidy by the City to eliminate Water Fire's burdensome debt, but why should the City continue to annually subsidize Water Fire by not charging anything close to market value rent?
2. The City is bailing out Water Fire with the clear understanding going forward that Water Fire will develop responsible annual budgets and live within those budgets. A responsible budget should include rent payment.

Even though Water Fire has lost major sponsorships since COVID in 2020, it has demonstrated that it can raise at least \$2.1 million per year in revenues as recent as 2023 and is hopeful to raise \$2.5-3.0 million in revenues going forward. A \$50,000 rent payment per year represents an expense equal to 2.5% of annual revenue of \$2 million. The proposed rent is an affordable rent in Water Fire's budget

3. The Council and the Mayor have asked the taxpayers to pay higher taxes in order for the City to provide essential city services. Our renters in the city are also paying higher rents

to property owners. Is it fair for Providence residents to pay higher costs to live in their homes while Water Fire pays only \$1/year in rent?

The proposed rent schedule provides for rental payments that are below market rate rents. This is in recognition that the Lessee will be paying for maintenance and utility costs.

If Water Fire balks at this proposed rent structure, then it should develop a budget that accommodates this proposed rent structure. There are ways to reduce its other expenses by adjusting salaries or by eliminating one of the proposed eight full Water Fire events.

What's more important to you as members of the Council: one full Water Fire event or being financially responsible to Providence residents?

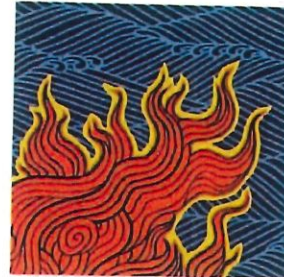
I am not able to attend the November 5<sup>th</sup> Finance Committee meeting, so I can't present this testimony in person. I am writing this while on a mercy visit to a 98-year old uncle in Oakland, CA. I hope you will consider this written testimony and act with the best interests of Providence residents in mind.

Respectfully,

Bob McMahan

# WATERFIRE PROVIDENCE

—CREATIVELY TRANSFORMING OUR CITY



## Selected Testimonial Excerpts from the 2025 Accelerate Cohort

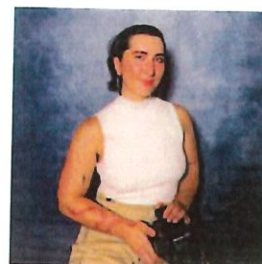
### Ariel Tavares

This was my first time [doing an exhibit] with standard gallery walls. That completely transformed how I think about art, how things should be placed, spatial instructions, spatial decisions, how things should be explained. I never used to explain my work, I used to just put it up there. It really developed me fundamentally with the basics of being an artist who has work on display, but it also taught me how to work with other people as we're all multimedia artists. We try, and can do a lot, but it taught me the importance of restraint and sharing the work with other people and delegating, which was something that I didn't realize I needed not just as an artist, but as a person.



### Caterina Maina

This program has helped me excel by being around so many amazing artists and meeting a lot of really amazing artists. It's pushed me in my craft as a photographer, thinking about how I can move forward with photographs beyond just images on a wall. Just being surrounded by a community of artists has just allowed me to succeed.



### Dorian Epps

I would describe my experience as transformative. I feel like that's what my work is and that's also what this experience has been for me. It's a very transformative thing to be able to meet other artists and other cohort members that are as driven and talented. We've built a family through this program.



### Sissy Rosso

One word to describe my experience would be "unraveling." I chose that word because in the beginning of my experience I felt like all I saw was the surface of the program. It was this little thread that continued to unravel as I went along the program. I started to learn a lot more about professional development, learning how to budget, how to apply for grants, things that I don't typically have access to.



The Honorable Councilwoman Jo-Ann Ryan, Chair  
Finance Committee  
Providence City Council  
25 Dorrance Street  
Providence, RI 02903

Dear Finance Chair Ryan and Honorable Members of the City Council,

As an artist, educator and proud Mt. Pleasant resident, I am happy to write in support of WaterFire and the WaterFire Arts Center, and specifically in support of the proposed lease agreement for WaterFire's continued occupancy in the Center at 475 Valley Street.

I have been lucky to see, participate, and work with WaterFire on a number of occasions throughout my career. They do important work, launch significant exhibitions and programs, and most importantly, pursue broad inclusion across communities. They do this with integrity, and I have been grateful to work alongside them in that effort.

In particular, I have been pleased to be one of the mentors and speakers for some of their outreach programs: *Accelerate* (which provides guidance and insight into an arts career for emerging minority artists), *Art Lab* (a fellowship program for black boys in Providence high schools who are interested in the arts) and *Art Camp* (a summer arts day camp for inner city youth). I have loved meeting these artists, watching their careers sprout and, quite often, watch them successfully enter the artistic communities here and abroad. There are many youth arts organizations in the city, but there are not programs that rival WaterFire's unique position within the cultural discourse, offering a level of sophistication and artworld-career-readiness that I have not personally seen elsewhere.

*WaterFire*, the art installation of the river, is also a powerful, moving, and inclusive work of art that welcomes everyone to be a part of the City's renaissance. As an artist and as a resident, I urge you to support both WaterFire and the WaterFire Arts Center. They are a small non-profit that is internationally recognized for its excellence and its positive impact on our community.

The City's new outreach of help to WaterFire is a wise investment in our future and I urge the Finance Committee and the full City Council to approve this lease resolution for WaterFire.

Sincerely,



Jordan Seaberry



**City Council Finance Committee  
November 4, 2025**

**Mark Allan  
Executive Director  
WaterFire Providence**

## **The Core Meaning of WaterFire Providence on the River**

- **Presents a Powerful Work of Art**
  - A universal and profound experience
  - Tapping into the most fundamental elements of the human condition
- **Stands as an Iconic Representation of the Identity of the City**
  - Demonstrating the creative uniqueness and special quality of Providence
  - A source of pride for everyone who lives here
- **Creates an Organic Community around Shared Experience in the Moment**
  - Shared ties and common expression beyond all labels
  - A treasure owned, in trust through the Board of WaterFire, by everyone
- **Spreads Strong Economic Impact across the Region**
  - Eliciting expenditures by tourists from around the world
  - Energizing and activating the urban core
  - Engaging all the neighborhoods and the outlying communities

## **Arrival of Interim Executive Director in 2025**

### **What the Interim Executive Director Found**

- WaterFire Providence had lost \$900,000 in 2023
- Cash reserves were gone, and WaterFire was depending on a line of credit of \$650,000
- There had been a decline in the number of lightings

### **Actions Were Taken By ED and Board to Stabilize and Move the Organization Forward**

- Stabilized finances, though dire cash situation remained
- Filled essential positions while tightening staffing further.
- Restructured management roles and added missing functions such as human resources, financial analytics, and legal counsel (pro bono).
- Managed to cash by pay period to maintain solvency.
- Began creating data and analytics to manage to bottom line performance of each piece of the operation
- Initiated a major donor program and obtained expert assistance in major donor development
- Created a financial improvement plan
- Renegotiated a new licensing agreement to provide full Board authority and accountability

### **What Remained was an Existential Financial Challenge**

- Our cash situation was extremely serious. We were drawing the entire \$650,000 line of credit at times to simply meet payroll. There was no financial running room to work our way out of the crisis.
- We had to monetize our only financial asset, our building.

### **Our Path to Future Financial Strength has Two Parts**

- The Purchase of the building by the City of Providence and lease back at effectively no cost, reestablishing essential working cash and reserves.
- Full and aggressive implementation of our Financial Plan to create positive annual operating results and ongoing financial stability and strength.

# WaterFire Financial Plan: Creating Financial Strength

## Background

During 2023, WaterFire suffered a loss of about \$900,000, wiping out its financial reserves. Revenue for that year was far below the budgeted amount. During 2025, WaterFire Providence has been in a fragile financial state, dependent on a line of credit to pay its bills and cover payroll. It is not viable to operate without cash reserves, and in such a negative cash position.

## Sources of Financial Stability and Success Going Forward

Sale and rent back of the building will restore working cash and cash reserves, and is essential to the success of any operational financial improvement. The challenge then becomes creating operational financial stability and remaining in the black on an annual basis. That will come from operating more effectively, as a highly competent enterprise, pushing hard on multiple fronts, with the Large Donor Program being most decisive over time. The three major areas of attention are as follows.

### MANAGEMENT EFFECTIVENESS

- **Strong Leadership.** The new Executive Director has a long history of strong leadership of struggling nonprofit community-based organizations, leading to markedly improved financial performance.
- **Lean Staff.** Staff FTEs have decreased 26% since 2023, with 3 FTEs cut in 2025.
- **Tight Management.** Management sophistication and effectiveness are being improved, leading to greater efficiency, focus, and impact. The tools of business can also serve an arts organization, as it attends simultaneously to mission, strategy, and the bottom line.
- **Staff Bottom Line Accountability.** Staff will be given clearer accountability for the bottom line performance of activities they manage, linked to an enterprise-wide income optimization education and engagement process.

### REVENUE OPTIMIZATION

- **Improved Donor Base.** More effective use of data systems, and more active and aggressive engagement with donors, will increase the number of general donors and their average gift.
- **Stabilized Corporate Sponsorships.** Large corporate sponsorships have declined with the changing corporate environment, but we are adapting, shifting to greater engagement with smaller companies, in a more complex and varied sponsorship program. This should stabilize total corporate support and perhaps generate modest increases.
- **More Small-Scale Lightings.** While maintaining a base of at least eight full lightings, we will make greater use of smaller scale lightings, in the basin, at the footbridge, and elsewhere. These have much lower cost, and yet can still generate significant financial support.
- **Modestly Increased and Stable State Government Funding.** We have been making progress in generating higher state government support, reasonable given the positive economic impact and tax returns. As we increase the scale of lightings and attendance, this argument will only become stronger.

- **More Active Pursuit of Grant Revenue.** Grants are becoming even more competitive, but we will continue our aggressive pursuit of such funding.
- **Expanded Special Events.** We will optimize FireBall and also add a variety of smaller events.

**REVENUE EXPANSION**

- **Increased Tourism-Related Support.** We have strengthened our ties to the tourism councils and they have increased their funding. It is important to note that we simultaneously attract tourists and the spending they bring, while providing an important, meaningful, and iconic experience for the residents of our communities.
- **Major New Large Donor Development.** Unlike other major Rhode Island arts organizations, despite its high visibility and impact, WaterFire has never had a major donor program. We have now begun developing such a program, guided by a consultant with a strong track record in such work. WaterFire leadership is committed to this effort and highly engaged. Development will be multi-year and will lead to substantial payoff during the next 2-3 years, and a transformative impact in the years beyond. A multi-year major donor gift of \$500,000, announced 10/16/2025, illustrates the potential of this initiative.
- **Addressing Urban Economic Development.** We are prioritizing support for urban economic development as a core mission, and will increase our partnerships with like-minded organizations. For example, we are part of a collaborative effort with key stakeholders such as the Providence Foundation to reinvigorate the downtown core. We are also further strengthening our ties with, and support from, private enterprises. We expect this to generate related revenue.

The following projections illustrate how this will play out.

<b>WaterFire Providence Two-Year Revenue Projections</b>						
<b>Revenue Projections</b>	<b>2025</b>	<b>% of Total</b>	<b>2027</b>	<b>% of Total</b>	<b>Increase</b>	<b>% Increase</b>
Government	\$ 700,000	23%	\$ 800,000	21%	\$ 100,000	14%
Tourism	\$ 345,000	12%	\$ 350,000	9%	\$ 5,000	1%
Corporate	\$ 400,000	13%	\$ 450,000	12%	\$ 50,000	13%
General Donation and Fundraising	\$ 550,000	18%	\$ 700,000	18%	\$ 150,000	27%
Major Donors	\$ 125,000	4%	\$ 500,000	13%	\$ 375,000	300%
Grants	\$ 150,000	5%	\$ 250,000	7%	\$ 100,000	67%
Rentals and sales transactions	\$ 730,000	24%	\$ 800,000	21%	\$ 70,000	10%
<b>Total</b>	<b>\$ 3,000,000</b>	<b>100%</b>	<b>\$ 3,850,000</b>	<b>100%</b>	<b>\$ 850,000</b>	<b>28%</b>

## Appendix: The Community Impact of WaterFire Arts Center

In addition to the lightings on the river, the WaterFire Arts Center also creates substantial value in its own right.

### A Safe, Accessible, and Well-Maintained Cultural Facility for the Public

- Since opening in 2017, the WFAC has hosted 2,030 public events/activations and has been open for 1,750 days of free art exhibitions.

### Hosts over 125 Events Annually

- Exhibition-related events (over 30): artist talks, panels, gallery nights, and opening receptions
- Community programs (over 20): neighborhood meetings, film screenings, workshops, cultural celebrations
- Use by local arts and culture organizations (over 15): performances, classes, special projects
- Private rentals (over 60): corporate events, weddings, nonprofit fundraisers, large-scale markets and expos (bringing 85 vendors under one roof)

### Engages over 350 Artists Per Year

- Artists participate through **WaterFire-led initiatives**: rotating exhibitions and performances
- Additional artists engaged through **venue rental and community events** (e.g., a 75-person choir performing at the WFAC during a weekend in the Spring)

### Provides over 10,000 Hours of Education & Workforce Training Each Year

- Host over 30 college-aged interns annually across events, operations, marketing, exhibitions, and development departments.
- Operate a multi-week summer art camp serving over 60 youth annually
- Provide year-long programs for:
  - 6 artists under 30 (WaterFire Accelerate): workshops, instruction, culminating exhibition
  - 5 high school students (ArtLab@WaterFire): gaining paid experience
- Deliver 12-30 community art workshops annually, depending on funding
- Partner with career & tech high schools, universities, and community organizations (e.g., Boys & Girls Club of Providence, Providence Career & Technical Academy) on workforce training, case studies, and hands-on learning projects

### Brings over 40,000 Visitors

- Draw visitors to the Valley Arts District, supporting nearby businesses
- Visitor Reach Sample (Jan-Sept 2025, sample size: 1,678):
  - 61.1% from the top five Rhode Island cities, including 47.3% from Providence
  - 19.8% from other Rhode Island communities
  - 19.1% from outside Rhode Island
  - Top Rhode Island Cities: Providence (47.3%), Pawtucket (4.4%), Cranston (3.5%), Warwick (3.2%), and Bristol (2.7%)