

CITY OF PROVIDENCE
RHODE ISLAND



CITY COUNCIL

JOURNAL OF PROCEEDINGS

No. 97 City Council Special Meeting, July 20, 1998, 6:30 o'clock P.M. (E.D.T.)

PRESIDING

COUNCIL PRESIDENT

EVELYN V. FARGNOLI

IN CITY COUNCIL
SEP 3 1998

APPROVED:

Michael A. Clement CLERK

ROLL CALL

Present: Council President Fargnoli, Councilman DeLuca, Councilwoman DiRuzzo, Councilmen Hassett, Igliozi, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young-12.

Absent: Councilmen Allen and Clarkin-2.

INVOCATION

The Invocation is given by COUNCIL-
WOMAN RITA M. WILLIAMS.

PLEDGE OF ALLEGIANCE TO THE FLAG OF THE UNITED STATES OF AMERICA

COUNCILMAN JOSEPH DeLUCA 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 A SPECIAL MEETING COMMUNICATION FROM COUNCIL PRESIDENT EVELYN V. FARGNOLI

July 17, 1998

Honorable Michael R. Clement
City Clerk
City Hall
Providence, RI 02903

Dear Mr. Clement:

In accordance with the provisions of Section 406 of the Providence Home Rule Charter of 1980, I am, this day, calling a Special Meeting of the City Council to be held on Monday, the 20th day of July, 1998 at 6:30 o'clock P.M. in the City Council Chamber, City Hall for the purpose of acting upon the following:

An Ordinance establishing a Tax Stabilization Plan for AAA Southern New England.

An Ordinance providing for the assessment and collection of 1998 taxes in a sum of not less than one hundred eighty nine million dollars (\$189,000,000) and not more than two hundred nine million dollars (\$209,000,000) being based on one hundred percent (100%) of the 1998-1999 Fiscal Year tax collections.

An Ordinance in amendment of Chapter 1997-42, approved July 25, 1997, of the Ordinances of the City of Providence making an appropriation of three hundred eighty three million, five hundred sixty three thousand, six hundred sixty eight dollars (\$383,563,668) for the fiscal year ending June 30, 1999, as amended.

An Ordinance establishing a Compensation Plan for the City of Providence and repealing Ordinance Chapter 1997-43, approved July 25, 1997, as amended.

An Ordinance establishing the Classes of Positions, the maximum number of employees and the number of employees in certain classes in the City Departments and repealing Ordinance Chapter 1997-44, approved July 25, 1997, as amended.

An Ordinance establishing a Tax Stabilization Plan for the Union Station Plaza Assoc., L.P., as amended.

Resolution authorizing a land transfer between the City of Providence and Parcel One Development Associates.

Respectfully,

EVELYN V. FARGNOLI
Council President

Received.

FROM THE CITY CLERK WARRANT FOR SPECIAL MEETING

The City Clerk reads the following Warrant with the City Sergeant's return endorsed thereon, certifying that he did notify the Members of the City Council of the Special Meeting to be held Monday, July 20, 1998, 6:30 o'clock P.M. (E.D.T.) by personally delivering a copy of the Warrant on July 17, 1998.

July 17, 1998

TO RALPH GUGLIELMINO,
CITY SERGEANT:

Whereas, Council President Evelyn V. Fagnoli has, pursuant to Sections 406 and 803 of the Providence Home Rule Charter of 1980, requested the City Clerk, in writing, to call a Special Meeting of the City Council to be held on the 20th day of July, A.D., 1998 at 6:30 o'clock P.M. for the purpose of enacting the following:

An Ordinance establishing a Tax Stabilization Plan for AAA Southern New England.

An Ordinance providing for the assessment and collection of 1998 taxes in a sum of not less than one hundred eighty nine million dollars (\$189,000,000) and not more than two hundred nine million dollars (\$209,000,000) being based on one hundred percent (100%) of the 1998-1999 Fiscal Year tax collections.

An Ordinance in amendment of Chapter 1997-42, approved July 25, 1997, of the Ordinances of the City of Providence making an appropriation of three hundred eighty three million, five hundred sixty three thousand, six hundred sixty eight dollars (\$383,563,668) for the fiscal year ending June 30, 1999, as amended.

An Ordinance establishing a Compensation Plan for the City of Providence and repealing

Ordinance Chapter 1997-43, approved July 25, 1997, as amended.

An Ordinance establishing the Classes of Positions, the maximum number of employees and the number of employees in certain classes in the City Departments and repealing Ordinance Chapter 1997-44, approved July 25, 1997, as amended.

An Ordinance establishing a Tax Stabilization Plan for the Union Station Plaza Assoc., L.P., as amended.

Resolution authorizing a land transfer between the City of Providence and Parcel One Development Associates.

July 17, 1998

I, Ralph Guglielmino, City Sergeant, do hereby certify that I have notified each Member of the City Council of the Special Meeting scheduled to be held on Monday, July 20, 1998 at 6:30 o'clock P.M. in the Chamber of the City Council, City Hall, Providence, in accordance with the subject warrant by delivering to each member, a copy thereof.

RALPH GUGLIELMINO
City Sergeant

Received.

ORDINANCE SECOND READING

The following Ordinance was in City Council July 2, 1998, Read and Passed the First Time and is returned for Passage the Second Time.

An Ordinance establishing a Tax Stabilization Plan for AAA Southern New England.

Be it ordained by the City of Providence:

Preamble

Whereas, The City Council, pursuant to Section 43-3-3.1 and Section 44-3-9 of the General Laws of the State of Rhode Island, as amended, has the authority to exempt property used for industrial or commercial purposes from the payment of property tax if the granting of the exemption meets certain conditions set forth in said Sections of the General Laws of the State of Rhode Island; and

Whereas, AAA Southern New England has made application under, and has satisfied each condition of the above mentioned sections of the Rhode Island General Laws; and

Whereas, AAA Southern New England is a commercial concern who intends to relocate its facility to the City of Providence and agrees, as a condition of the hereinafter referenced "tax treaty," to increase its workforce in the City of Providence, by virtue of such relocation to 301 Silver Spring Street, in Providence, Rhode Island 02904 on Assessor's Plat 1, Lot 89 and ("Project"); and

Whereas, The Project will cause an increase in the tax base of the City and will increase employment opportunities in the City; and

Whereas, It is in the interest of the residents of the City of Providence to grant such an exemption to induce the development and construction of the Project in the City, and such exemption will inure to the benefit of the City;

Be it Ordained by the City of Providence:

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

Section 2. As long as AAA Southern New England owns or operates the facility, it will continue to pay taxes on the facility. AAA Southern New England its successors and assigns, agree that this property will be subject to full taxation at the expiration of the tax treaty. AAA Southern New England also agrees not to transfer the property to a tax-exempt entity or to allow any transfer by any subsequent transferee to a tax-exempt entity during the term of the tax treaty. AAA Southern New England is also required as a condition precedent to this tax treaty to record notice of the requirement that the property covered by this Ordinance be transferred only to a tax paying entity during the term of the tax treaty in the Land Evidence Records of the City of Providence. Notwithstanding this provision, in the event that the successor to the property does not make the payments under the tax treaty, AAA Southern New England will be responsible to make payments in lieu of taxes to the City

of Providence in the amounts set forth in the attached schedule during the term of the tax treaty. In the event that the property covered by this Ordinance is transferred to a tax-exempt entity, whether by AAA Southern New England or any subsequent transferee to such property, AAA Southern New England will be responsible to make payments in lieu of taxes to the City of Providence during the term of the tax treaty equal to the amount of taxes which would have been paid to the City of Providence if such prohibition against transfer to a tax-exempt entity had not been violated. Notwithstanding anything to the contrary herein or in the tax treaty used in connection herewith, the provisions of this Section 2. shall continue to be given full force and effect until such time as the same shall be amended or terminated by majority vote of the City Council of Providence.

Section 3. It shall be the goal of AAA Southern New England 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 the construction costs for the Project (as determined in accordance with the rules and regulations promulgated pursuant to the MBE act). It shall be AAA Southern New England's further goal to award to women business enterprises (WBE) 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). It shall be a further goal of AAA Southern New England to achieve a minimum level of 10% for minority and 10% for female employment.

Section 4. AAA Southern New England shall employ a minimum of one hundred and fifty (150) employees at the facility located at 301 Silver Spring Street in Providence upon

occupancy of said facility. Thereafter, on or about, within twenty-four (24) months from the date of occupancy. AAA Southern New England shall employ, at a minimum, an additional two hundred (200) new employees at the Silver Spring facility. In accordance with this section. AAA Southern New England shall give preferential consideration to qualified applicants who reside in the City of Providence with regard to all hiring decisions during the term of this tax treaty. For the purpose of this section the date of occupancy shall mean the actual date in which AAA Southern New England begins to operate from the Silver Spring facility or, on or about November 1, 1998, whichever is sooner. Failure to generate the required additional new jobs within twenty-four (24) months of the date of occupancy, shall render the treaty null and void, unless so waived by the City Council. The treaty being rendered null and void shall require the owner of the property to pay all taxes and fees as due and owing as if no treaty had been entered.

Section 5. The schedules listed below are based upon information provided to the Tax Assessor by AAA Southern New England including, but not limited, to estimated construction costs. In the event any of this information is inaccurate or proves to be erroneous, this treaty shall be modified to reflect the accurate information.

Section 6. That the real and personal property taxes payable to the City by the Project during the term of this Ordinance shall be based upon the real and personal property tax rates in effect for the City's 1998 fiscal year. This treaty is conditioned upon AAA Southern New England owing no back taxes to the City of Providence or remaining current on a payment plan approved by the Tax Collector. Failure to make said timely payments may

render this treaty null and void at the sole discretion of the City of Providence. The treaty being rendered null and void would require the owner to pay all taxes and fees as due and owing as if no treaty had been approved.

Section 7. That the City in accordance with Section 44-3-3.1 and Section 44-3-9 of the Rhode Island General Laws hereby grants an exemption from taxation of both real and personal property to AAA of Southern New England, for the real property located at 301 Silver Spring Street, Providence, Rhode Island, Assessor's Plat 1, Lot 89, and the personal property located at said location which is used exclusively for and in connection with the operations of AAA Southern New England at said location, in accordance with the schedules listed in Exhibit A, attached hereto and made a part hereof.

Section 8. This Ordinance shall take effect upon its passage.

Read and Passed the Second Time, on motion of COUNCILWOMAN DiRUZZO, seconded by COUNCILWOMAN WILLIAMS, by the following Roll Call Vote:

Ayes: Council President Fagnoli, Councilwoman DiRuzzo, Councilmen Hassett, Iglizzi, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young—11.

Noes: Councilman DeLuca—1.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the Second Time is Sustained.

REPORTS FROM COMMITTEE

COUNCILWOMAN PATRICIA K. NOLAN, Chairwoman COMMITTEE ON FINANCE

Transmits the following with recommendation the same be Adopted:

An Ordinance providing for the assessment and collection of 1998 taxes in a sum of not less than one hundred eighty nine million dollars (\$189,000,000) and not more than two hundred

nine million dollars (\$209,000,000) being based on one hundred percent (100%) of the 1998-1999 Fiscal Year tax collections.

Read and Passed the First Time, on motion of COUNCILWOMAN DiRUZZO, seconded by COUNCILWOMAN WILLIAMS, by the following Roll Call Vote:

Ayes: Council President Fagnoli, Councilman DeLuca, Councilwoman DiRuzzo, Councilmen Hassett, Igliazzi, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young—12.

Noes: None.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the First Time is Sustained.

Transmits the following with recommendation the same be severally Adopted, as amended:

An Ordinance in amendment of Chapter 1997-42, approved July 25, 1997, of the Ordinances of the City of Providence making an appropriation of three hundred eighty three million, five hundred sixty three thousand, six hundred sixty eight dollars (\$383,563,668) for the fiscal year ending June 30, 1999, as amended.

COUNCILWOMAN DiRUZZO moves to pass the Ordinance, as amended.

This motion is seconded by COUNCILWOMAN WILLIAMS.

COUNCILMAN DeLUCA moves to amend the Ordinance by transferring \$985,394.00 from the Mayor's Office to the City Council Contingency.

This motion is seconded by COUNCILMAN LOMBARDI, and is put to vote by the following Roll Call Vote:

Ayes: Councilmen DeLuca, Jackson, Lombardi, Councilwomen Williams and Young—5.

Noes: None.

Not Voting: Council President Fagnoli, Councilwoman DiRuzzo, Councilmen Hassett, Igliazzi, Mancini, Councilwomen Nolan and Romano—7.

Absent: Councilmen Allen and Clarkin—2.

The motion to amend is Denied.

The motion for Passage the First Time, as amended, is put to vote by the following Roll Call Vote:

Ayes: Council President Fagnoli, Councilwoman DiRuzzo, Councilmen Hassett, Igliazzi, Jackson, Lombardi,

Mancini, Councilwomen Nolan, Romano, Williams and Young—11.

Noes: Councilman DeLuca—1.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the First Time, as amended, is Sustained.

An Ordinance establishing a Compensation Plan for the City of Providence and repealing Ordinance Chapter 1997-43, approved July 25, 1997, as amended.

Read and Passed the First Time, as amended, on motion of COUNCILWOMAN DiRUZZO, seconded by COUNCILWOMAN WILLIAMS, by the following Roll Call Vote:

Ayes: Council President Fargnoli, Councilmen Hassett, Iglizzo, Jackson, Mancini, Councilwomen Nolan, Romano and Williams—8.

Noes: Councilman DeLuca—1.

Not Voting: Councilwoman DiRuzzo, Councilman Lombardi and Councilwoman Young—3.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the First Time, as amended, is Sustained.

An Ordinance establishing the Classes of Positions, the maximum number of employees and the number of employees in certain classes in the City Departments and repealing Ordinance Chapter 1997-44, approved July 25, 1997, as amended.

Read and Passed the First Time, as amended, on motion of COUNCILWOMAN DiRUZZO, seconded by COUNCILWOMAN WILLIAMS, by the following Roll Call Vote:

Ayes: Council President Fargnoli, Councilwoman DiRuzzo, Councilmen Hassett, Iglizzo, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young—11.

Noes: Councilman DeLuca—1.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the First Time, as amended, is Sustained.

An Ordinance establishing a Tax Stabilization Plan for the Union Station Plaza Assoc., L.P., as amended.

COUNCILWOMAN DiRUZZO moves to pass the Ordinance the First Time and Refer Back to the Committee on Finance.

This motion is seconded by COUNCILWOMAN WILLIAMS, and is put to vote by the following Roll Call Vote:

Ayes: Council President Fagnoli, Councilwoman DiRuzzo, Councilmen Hassett, Iglizzo, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young—11.

Noes: Councilman DeLuca—1.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage the First Time and Refer Back to Committee on Finance is Sustained.

**COUNCILMAN KEVIN JACKSON, Chairman
COMMITTEE ON CITY PROPERTY**

Transmits the following with recommendation the same be Approved:

Resolution authorizing a land transfer between the City of Providence and Parcel One Development Associates.

Resolved, That His Honor, the Mayor, is hereby authorized to transfer the property described on a portion of Assessor's Plat 19, Lot 135 (Parcel F and Parcel H, as attached) to Parcel One Development Associates and it is further authorized to execute documents receiving the property described as a portion of Assessor's Plat 19, Lot 135 (Parcel G and Parcel I, as attached). Pursuant to Section 416 of the Home Rule Charter, the two parcels are of at least equal value.

Read and Passed, on motion of COUNCILWOMAN DIRUZZO, seconded by

COUNCILWOMAN WILLIAMS, by the following Roll Call Vote:

Ayes: Council President Fagnoli, Councilwoman DiRuzzo, Councilmen Hassett, Iglizzo, Jackson, Lombardi, Mancini, Councilwomen Nolan, Romano, Williams and Young—11.

Noes: Councilman DeLuca—1.

Absent: Councilmen Allen and Clarkin—2.

The motion for Passage is Sustained.

ADJOURNMENT

There being no further business, on motion of COUNCILWOMAN DIRUZZO, seconded by COUNCILWOMAN WILLIAMS, it is voted to adjourn at 7:40 o'clock P.M. (E.D.T.).

Richard R. Clement

City Clerk

