

DEPARTMENT OF CITY CLERK

CITY HALL

SEPTEMBER 26, 1996

The Committee on Finance meets this day at 5:00 o'clock P.M., in Committee Room "A", City Clerk's Department, City Hall.

PRESENT: Chairwoman Nolan, Council President Fagnoli and Councilman Igliazzi.

ABSENT: Councilman Rollins and Councilman Mancini.

Also present are Stephen Woerner, City Council Internal Auditor, Patricia McLaughlin, Deputy City Solicitor, Frank Corrente, Director of Administration, John Palmieri, Director - Department of Planning and Development, Joseph Abbate, Department of Planning and Development, Thomas Rossi, City Assessor, Councilman John J. Lombardi, Mr. Peter J. Sangermano, Partner for the Village at Elmhurst, Mr. Robert A. Urciuoli, President and Chief Executive Officer - Roger Williams Medical Center, Ms. Frances Driscoll, Senior Vice-President External Affairs Corporate Communication and Development - Roger Williams Medical Center, Michael R. Clement, City Clerk and Claire E. Bestwick, Assistant Clerk.

AN ORDINANCE ESTABLISHING A TAX STABILIZATION PLAN FOR THE VILLAGE AT ELMHURST, ROGER WILLIAMS REALTY CORP.

CHAIRWOMAN NOLAN: Do we have some people from Roger Williams? Do you want to come up to the table please.

MR. URCIUOLI: My name is Bob Urciuoli, for those of you who do not know me. I am President of Roger Williams Hospital. This is Peter Sangermano, who is a partner in this project. First, I should thank you for the opportunity to appear before you. I know that you are very busy so I am going to be very brief but I don't want, you know, my brevity doesn't mean that we are not here to speak at any issue that you have so if there are any questions, we will be pleased to answer them. I think most of you know that we are, you know, the hospital itself has been in the community for 125 years. We are obviously a tax exempt organization. Presently we run a 220 bed hospital. We have a nursing home, Elmhurst Extended Care Facility, Homecare Program and we view this assisted living project as an extension of the continued care that we are developing. I will tell you that there have been ample opportunities for the hospital over the years to see it's land and be partners with Stop and Shop, with McDonald, as an

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example, but our board has never felt that those kind of things were in the best interest of the community so the assisted living project is just an extension of the healthcare programs that we will continue to offer. The big advantage now is that we will be taking it off the rolls as a non-profit and putting it on the rolls. My sense is, and I know Peter will speak to this, among the other things that it will provide to the community certainly will be jobs and I would also expect that as part of the future relationship that the hospital plans with Columbia, that we will be looking at moving the entire institution from its non-profit status to a for-profit status and hopefully will be appearing in front of this committee again, in that regard so let me ask Peter to talk a little bit more about the projects and some of the benefits that we will see for the city.

MR. SANGERMANO: With regards to the project and again, thank you for hearing us tonight with regards to this matter. As Bob had mentioned, we are taking the Elmhurst Property, which was not on the tax rolls and will be creating a taxable property. Another thing we will be creating is 50 plus new jobs in the city, of which the majority will be filled by Providence residence and I brought a list we have from our other property, the Village at Waterman Lake. We are taking staff members there and are going to be moving them down. I have a list of some of those that are going to be moving down. There is approximately 10 right now. We haven't started hiring the employees but we are anticipating probably 2/3's employees will be city residence. We are also providing a much needed housing for the Providence senior population enabling them to stay in the city close to their families. For assisted care, there is not a lot directly in the city so a lot of them go to our place in Smithfield or to the other facilities around the state and this will enable them to be able to stay in the city close to their families. As far as the business end, with any new business, it has to struggle in the beginning and the tax stabilization plan that was created by the City of Providence will help ensure the success of this project and we will answer any questions. I also brought a brochure on what we will be providing for services, for your review and if there are any other questions I can answer them.

CHAIRWOMAN NOLAN: Is Mr. Rossi here?

MR. ROSSI: Yes.

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CHAIRWOMAN NOLAN: Do you have anything to add about what the actual numbers are Tom?

MR. ROSSI: Yes, I handed out to the Council a breakdown of what the stabilization plan would be for a 10 year period. As you can see, they again, the taxes begin in the low and then they go up to a higher of, right up to \$116,000.00 in year 10. What we are talking about here, Madam Chair is that we have zero dollars coming from this property. We are talking about, after the stabilization has concluded, the city will have collected nearly \$81,000.00 a year on average from property that gives us zero dollars and with the combination of people, you know, residents getting jobs there and if you have seen the project, I have seen the project up in Smithfield, if any of you have seen that, if you look at this project here, they do quite a good job and it stays in the context and keeps the amenities in the neighborhood up, keeps the values up and that is what we are concerned with and as a City Assessor, I am very concerned with value and this could only have a positive reflection on the value of the area. I am very much in favor of it.

CHAIRWOMAN NOLAN: For the panel, I have some updated Ordinances here. Patricia, maybe you could go through what the change is.

MS. MCLAUGHLIN: There are actually two changes. Most of the changes were made the last time they were incorporated by the Committee. Those were the changes that are pretty consistent with what you normally look for in a tax treaty. There were several rounds of changes. The first set were made relative to taxes on the property and the most recent change is in Section 2, sentence 2, where it says Roger Williams Realty Corp., its successors and assigns agree that this property be subject to taxation at the expiration of the tax treaty. That is only consistent with what the law is on this area. It is just a confirmation of that point, which the Council in the past has felt is important in these documents. It has come to my attention though, that since this Ordinance was presented, the name of the corporation has changed from Roger Williams Realty Corp. to Village at Elmhurst, LLC so there will need to be a universal change throughout the Ordinance that takes out the words Roger Williams Realty Corp. and replaces it with Village at Elmhurst, LLC, since that is the name of the current owner. The Ordinance states it's successors and assigns anyway so

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it will be covered but I think you need to pass it with the proper owner. Other than that, the changes were made the last time. They included in Section 3 a 10% goal for WBE, MBE, again, a Providence preference was included and the rest is just a standard tax stabilization.

COUNCILMAN IGLIOZZI: Pat, those changes were made on your behalf. We have done this several times. This complies with our Ordinance and State Law. You have reviewed it and you have crossed the "t's" and dotted the "i's".

MS. MCLAUGHLIN: That's right.

COUNCILMAN IGLIOZZI: And it is in proper form.

MS. MCLAUGHLIN: It is in proper form.

COUNCILMAN IGLIOZZI: And it is eligible.

MS. MCLAUGHLIN: Yes, under the statute and then the Ordinance.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted to amend the foregoing Ordinance to change the name from Roger Williams Realty Corp., to the Village at Elmhurst, LLC, a universal change throughout the Ordinance.

MS. MCLAUGHLIN: There will also need to be an amendment to add that second sentence on Section 2 about the property being subject to taxation at the end of the treaty because that is a new change from the last time it was in Committee.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted to amend the foregoing Ordinance to add into sentence 2, line 2, in section 2, Roger Williams Realty Corp., it's successors and assigns agree that this property will be subject to taxation at the expiration of the tax treaty.

COUNCILMAN IGLIOZZI: Just general comments, we have done this in the past. We have done it based upon Providence preference, based upon new jobs, based upon, in this case, turning a non tax exempt piece of property into taxable property. Usually we have done it where people have taxable property and they are making an addition on their property so this is even better than the typical situation where we are giving a commercial profit making venture a break, in this case, we are turning something that is tax exempt into actual hard core tax dollars so for those reasons I support it and I support it because we have supported them in the past and this seems to be a valid reason, clearly when it is eligible and

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if the Law Department is satisfied and the Tax Assessor is satisfied and the statute is met then I am in support of it.

CHAIRWOMAN NOLAN: Are there any other comments from anybody?

COUNCIL PRESIDENT FARGNOLI: I would just like to say, since this is in my district, I would invite many of the Council people to come to visit as this is one of the most attractive new buildings in my area in many, many a year and I think you will be happy with what you see.

CHAIRWOMAN NOLAN: I have seen it, Councilwoman. It is beautiful. It is going to be nice.

MR. SANGERMANO: We invite you to live there as well.

COUNCIL PRESIDENT FARGNOLI: I am not quite ready yet.

CHAIRWOMAN NOLAN: Any other comments or questions from anybody?

COUNCILMAN IGLIOZZI: Again, Madam Chair, the reason why I am in support of this, even though it is the first time we saw it, is because we have kind of established, in this Committee, a procedure and a policy under which we would pass these and it appears that as is unusual the case, we actually have the Tax Assessor's fiscal note. We have the Law Department's seal of approval and all the paper work seems to be in order, whether that is as a result of Mr. Urciuoli and Mr. Sangermano's efforts or this Committee's effort, I don't know but who ever did that, I briefly reviewed it. It seems to be in order for passage, unless there is some other reason that is missing.

MRS. BESTWICK: We have to have a Public Hearing.

CHAIRWOMAN NOLAN: Yes, a Public Hearing.

COUNCILMAN IGLIOZZI: Yes but we should schedule a Public Hearing, otherwise I think we shouldn't continue this any further. Do you think we should continue this any further?

CHAIRWOMAN NOLAN: We have to have the Public Hearing.

COUNCILMAN IGLIOZZI: But other than that?

CHAIRWOMAN NOLAN: We have to have the Public Hearing before we have an actual passage.

COUNCILMAN IGLIOZZI: Right. What I am saying is, I don't see anything missing that we have to wait for a Public Hearing. I would ask

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that we schedule a Public Hearing as soon as possible, in accordance with the law and this is something that is only going to help us tax wise.

CHAIRWOMAN NOLAN: We have to schedule the Public Hearing before we have passage.

MS. MCLAUGHLIN: Right.

CHAIRWOMAN NOLAN: Michael, how much time do we need for a Public Hearing?

MS. MCLAUGHLIN: 10 days.

MR. CLEMENT: 10 days.

CHAIRWOMAN NOLAN: And Michael, at that Public Hearing, we have another matter coming up on Monday, I would like both matters at different times on both tax stabilization's and I would like them on at the same time.

MR. CLEMENT: What time do you want to have the hearing, 6:00 o'clock?

CHAIRWOMAN NOLAN: 6:00 o'clock is good, 10 days.

COUNCILMAN IGLIOZZI: 10 days from the notice. It takes how many days to get it in the paper, Michael?

MR. CLEMENT: It takes 3 days to get it in the paper.

COUNCILMAN IGLIOZZI: About 2 weeks before we can have a Public Hearing and just maybe for the benefit of the edification of Mr. Urciuoli and Mr. Sangermano, you should let them know that after the Public Hearing, it comes back to this Committee, a recommendation goes out to the floor and two passages are required and then the Mayor signs it so you are looking about probably about 30 to 60 days, if everything goes well. I think that is the quickest it will pass.

COUNCIL PRESIDENT FARGNOLI: Is that the time when you will be completed? You are ready for opening in November, I understand.

MR. SANGERMANO: I am ready to move in.

MR. URCIUOLI: Sometime in November but I think the taxes get assessed December 31st, so I think if we get it finished before December 31st, would be the goal, I guess.

COUNCIL PRESIDENT FARGNOLI: So it will be on the rolls for 1996.

MR. URCIUOLI: Yes, it will.

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CHAIRWOMAN NOLAN: So we are almost looking at October 17th Michael? That far away.

MR. CLEMENT: If I get the ad out tomorrow, we could have it about the 17th, yes.

CHAIRWOMAN NOLAN: Is that a convenient day for everybody, the 17th?

COUNCILMAN IGLIOZZI: My only concern, Madam Chair is, rather than us set a date here, I would just make sure that that date is....

MR. CLEMENT: No, we can't have it that day, that's City Council.

COUNCILMAN IGLIOZZI: Why don't we have that date set at the discretion of the Law Department and the Clerk's Office, based upon advertising.

CHAIRWOMAN NOLAN: Fine.

COUNCILMAN IGLIOZZI: Because if we set a date by vote, what is going to happen is, if there are any problems with that, we are going to either waste \$1,000.00 for the advertisement or we are going to have to wait until next meeting.

CHAIRWOMAN NOLAN: Okay, fine.

COUNCILMAN IGLIOZZI: Unless the Chairwoman wants to absolutely set a hard-core date.

CHAIRWOMAN NOLAN: No, that is fine.

COUNCILMAN IGLIOZZI: I know as the Chairman of Ordinances, I normally wait until the Law Department and the Clerk.....

CHAIRWOMAN NOLAN: We are meeting again on Monday and we should know by Monday.

COUNCILMAN IGLIOZZI: At the next available Public Hearing date, it would appear to me. That is just a suggestion.

COUNCIL PRESIDENT FARGNOLI: We have a Council meeting on the 17th so that is if you wanted a Public Hearing and it ever extended a little bit later, we might have a problem.

CHAIRWOMAN NOLAN: Yes.

COUNCILMAN IGLIOZZI: The next available date, I think, Mike. Whatever you can work out with the Law Department.

CHAIRWOMAN NOLAN: Yes, whatever you can come up with Michael.

MR. URCIUOLI: Thank you.

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CHAIRWOMAN NOLAN: Thank you very much and good luck.

MR. SANGERMANO: Thank you Madam Chair, members of the Committee. We appreciate your help and support and we look forward to the time when we get approval from the Committee and get this project up and running and starting to be a tax payer. It is exciting.

COUNCIL PRESIDENT FARGNOLI: Thank you so much.

CHAIRWOMAN NOLAN: Thank you.

RESOLUTION AUTHORIZING THE CITY COLLECTOR TO CAUSE THE TAXES TO BE ABATED ON THAT PROPERTY LOCATED ALONG 63-75 COURTLAND STREET AND 36-38 RING STREET, SAME BEING SITUATED ALONG LOTS 276, 279 ASSESSOR'S PLAT 33, IN THE AMOUNT OF FOURTEEN THOUSAND, FOUR HUNDRED FIFTY DOLLARS, SIXTY-FIVE CENTS (\$14,450.65) ON COURTLAND STREET AND SEVENTEEN THOUSAND, FIVE HUNDRED TWENTY-SIX DOLLARS, FORTY CENTS (\$17,526.40) ON RING STREET, SAME BEING IN ACCORDANCE WITH RHODE ISLAND GENERAL LAWS SECTION 44-7-23.

CHAIRWOMAN NOLAN: Councilman Lombardi, the reason I asked you to come was because I believe that it was at your request that it be referred back to Committee.

COUNCILMAN LOMBARDI: Thank you Madam Chair. This is one of those situations that I think all of us on the Council have always been confused and that is, how does someone secure financing or mortgage from a bank? How do they get support from various city and state agencies when they see the disrepair and the conditions of the houses that are being purchased and although the individual that is attempting to purchase it or has purchased it is, you know, certainly may be well meaning. I have pictures. I engaged someone to take yesterday and the person who is attempting to or has purchased this property, has been habitating this property for the past three months and his excuse or his example of making a good faith effort has been, literally, to pull boards off the second, third floor and first floor windows and I use that very loosely because I would like to submit these pictures and make part of the record that there are no windows in the second and third floor. There are some in the first floor, the windows still consist of board and I spoke with Mr. Rossi who, as of today, has indicated to me that this property has been, I guess,

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called vacant and/or board and not fit for human habitation. Just let me defer to Mr. Rossi for one second.

MR. ROSSI: This is the first time this has come to my attention. I was just staying for the other one so if you will just excuse me if I am not totally prepared for it but I could check our vacant and boarded list but I am sure that if we have scoured the neighborhoods, you know, street by street and using the Building Inspector's list and adding to that, to those lists and this, the Deputy Assessor Rosemary Glancy has informed me that she believes it is on that list and if it is on that list, we have drawn the conclusion that if it is vacant and/or boarded or if it is vacant according to the tax classification, we do not have to give it the so called homestead, the 35%. What we have done is removed that homestead from them, that exemption and we have added it to the value of the property and plus we have put a 10% penalty for non-utilization, this is also in the State Law and before we lift those penalties, they have to come to us with a plan. The City Collector has to sign off and make sure that the person doesn't own any other properties similar to that. Code Enforcement, April Wolf, as well as Ramzi Loqa, as Building Inspector, they all have to sign off. Included in that, the Fire Marshall, to make sure that they are not dangerous so that we don't lose any firefighters if there is arson or if there is some sort of fire in the property and the Community Police Officer Fitzgerald, also has to sign off to make sure that there is no complaints about drug abuse or gangs or whatever so we are trying to do something and once they sign off, they come to us with a plan. If they show us a plan, then and only then, if it is a reasonable plan, then and only then will we remove those penalties and we haven't received anything in our Office on that.

CHAIRWOMAN NOLAN: Would you pass those?

COUNCILMAN LOMBARDI: Yes, Madam Chair. I just want to give you an idea. This is a picture that was taken from East to West. This is the front of the building. You will notice there are no windows. They are boarded up. This picture is from North to South. Again, this is another picture of the front of the property. Now, remember, there is a family that has been living in there for three months and as of last week, all of the windows were boarded. Again, I have no problem if they make some substantial changes and good faith effort in repairing the property but I mean, this is ---- living in the neighborhoods.

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MR. ----: Is there any insurance?

COUNCILMAN LOMBARDI: I don't even know if there is any insurance. I can't see how they could get it. The other thing is, I have a couple of people here who are homeowners and property owners that abut the property and/or are across the street. I would really rather not have them put their names on the record but they are here to testify. They will testify. They are more than willing to testify but again, we have a duty, Madam Chair, to at least keep these neighborhoods habitable and safe and you know, there are Public Safety concerns here and how could we, in good faith, allow a family to live under these conditions? The other thing is, the abutting property, the vacant lot is owned by the city or PRA. I am not sure which one and it has already become a, and you will see with the next picture that I am going to be giving you, that I am submitting as part of the record, there is abandoned vehicles on that lot and this is the picture right here, Madam Chair. It is parking ----.

COUNCIL PRESIDENT FARGNOLI: Is this Courtland Street?

COUNCILMAN LOMBARDI: Yes, Courtland and Ring.

COUNCIL PRESIDENT FARGNOLI: This used to be a beautiful neighborhood.

COUNCILMAN LOMBARDI: The Council President's family, husbands family or whatever, your family, lived across the street, in fact.

COUNCIL PRESIDENT FARGNOLI: Adjacent.

COUNCILMAN LOMBARDI: Again, I don't want to belabor the issue. I would like to make these all part of the record anyway but there are a few here that just basically show what the abutting properties look like.

COUNCIL PRESIDENT FARGNOLI: Did somebody buy this house?

COUNCILMAN LOMBARDI: Yes.

CHAIRWOMAN NOLAN: Through the PRA?

COUNCILMAN LOMBARDI: Yes. My question is this here, I would have liked to have seen a plan in place. I would have liked to have seen a good faith effort made, at least some substantial repairs, basically the windows. The windows, I think we at least need that. I don't think we are asking much. You can tell that the house is structurally sound. There are several people that abut that property and I can show you one of the houses. This is one of the houses, Madam Chair, right here, as to the kinds

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of properties that we have. Two of the people that are here now, their properties are immaculate and in fact, they own several pieces of property in that area, that I think should be, what City Life and Federal Hill and the entire City of Providence should be all about but certainly not the other thing and I think we are sending the wrong message. Again, the family may have all good intentions, I am not going to say they don't but how can we allow them to live there? Many of the city departments have been put on notice with regard to this problem. I have been getting several complaints, at least for last six to eight weeks, with regard to saying, they have been living there. The people there are prepared to testify. The abutting owners, who are owner occupied by the way, are prepared to testify that they have been living there, at least three months. There may be a time when we can abate the taxes but I would like to send a message out now that we are not going to abate the taxes until they make some substantial repairs and changes to that neighborhood and then we can go from there and I also ask the Chair that this family or PRA, submit some kind of a plan. I would like to see were they are getting their financing from and what kind of plan they have to repair this property.

CHAIRWOMAN NOLAN: Thank you Councilman. It is my understanding, Mr. Palmieri, could you come up? It is my understanding that before a property is transferred, and I don't serve on the PRA but my understanding is, before we transfer the property to someone who is going to develop it, that they do come in with some plan.

MR. PALMIERI: Yes. Madam Chair, I apologize for not coming prepared to discuss this intelligently. I am aware of the fact that the owner has been designated, although he may have very well closed on the property. I wish I could tell you. I think the Councilman's remarks are right on target. There is no excuse for property being kept in disrepair. What I have learned is that the owner apparently has qualified for a loan of \$75,000.00, if I am not mistaken, and is prepared, and the financial institution.....

CHAIRWOMAN NOLAN: Through the bank.

MR. PALMIERI: Or another mortgage institution, they are prepared to make that funding available for the re-hab, subject to the abatement because paying that additional tax would make the project infeasible. Having said that, I agree with Councilman Lombardi.

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CHAIRWOMAN NOLAN: But we should be able to see a plan.

MR. PALMIERI: That's right, one may exist. But beyond that, I would agree that an abatement not be issued until the owner can demonstrate that he is including the repairs in ---- system with code.

CHAIRWOMAN NOLAN: I agree.

COUNCILMAN LOMBARDI: But Madam Chair, there is a more fundamental problem. He and his family are living on those premises that are not habitable for the four legged rats, as this Council has discussed on many occasions. I mean, look at it. How can anybody live under those conditions and for us to stand here and to allow them to continue to live under those conditions, it is an abomination. It violates everything that we stand for and I just don't know why we can't evict these people and do what we have to do.

CHAIRWOMAN NOLAN: Can we do that?

COUNCILMAN LOMBARDI: Again, the various departments know about what is going on there. I have personally taken people from various departments to show them what is going on.

CHAIRWOMAN NOLAN: And no one has...

COUNCILMAN LOMBARDI: No. At least no one has gotten back to me.

COUNCIL PRESIDENT FARGNOLI: Has Code Enforcement been notified?

CHAIRWOMAN NOLAN: Don't you think these are unsafe conditions for these people to be living in?

MR. PALMIERI: It appears from the photographs, I haven't gone to the property, that it is unsafe and if that were the case, then if Code would determine the fact that these are unlivable conditions, of course they should be, as a safety measure.....

CHAIRWOMAN NOLAN: Has title changed into their hands?

MR. PALMIERI: I am not sure.

COUNCIL PRESIDENT FARGNOLI: I think we should have more information on this before we would even entertain a motion.

MR. PALMIERI: But they shouldn't be here. I would have Code take action to evict them if this place is not safe and habitable. That is clearly the agency would agree that that would be an unacceptable.....

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CHAIRWOMAN NOLAN: Because these situations are going on in many of our neighborhoods and we can't allow it to continue. You don't have to give your name if you feel uncomfortable.

MR. SMITH: That's okay, I am glad to speak.

CHAIRWOMAN NOLAN: Okay, please come up.

COUNCILMAN LOMBARDI: Madam Chair, this is Len Smith. He owns the property at 39/43 Ring.

MR. SMITH: 43 Ring and one ----. Four properties I own, she owns four. I was born and brought up there and I know what meaning of owning property and this man ---- he is occupying it and it is inhabitable. It faces both of us so we feel that unless he can present a plan that he is going to get some financing, you know, he can buy the house, whatever, but we don't feel it is fair to us, owning our properties and keeping up with it, that this man is permitted to live here under those conditions and I think she feels the same.

MS. -----: I feel the same way. I get up every morning and look outside the window and I see that house and them living in there, something is going to happen over there.

MR. SMITH: You have two floors with no windows.

CHAIRWOMAN NOLAN: Who knows if they have insurance.

MR. SMITH: They have air conditioners going, I mean, it is not fair.

MS. -----: The windows are all boarded up. One side they took the boards off.

MR. SMITH: We work hard for our property and we feel that if someone comes in the neighborhood they should do the same like we do.

MS. -----: Like John has said, I have been calling all the departments in the city. They give me the run around.

MR. SMITH: We have been getting the run around from the whole City of Providence. No one knows how this man bought it. It is not fair.

COUNCILMAN LOMBARDI: That is the problem. The city is on notice as to what is going on, not through me only, I mean, I could have brought in like 30 or 40 people but I didn't want to do that. I just want to get people that were abutting owners to come in and God forbid, does he have any children, this guy?

MS. -----: Yes.

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COUNCILMAN LOMBARDI: I am just afraid someone is going to throw something in there, it is going to catch on fire.

MR. SMITH: Who owns the lot? Does the city own the lot or does he?

CHAIRWOMAN NOLAN: John is going to have to find that out for us.

COUNCILMAN LOMBARDI: I think it is the PRA.

MR. SMITH: It goes with the house?

COUNCILMAN LOMBARDI: I don't know.

CHAIRWOMAN NOLAN: What I would suggest, Councilman, I would like to enter those into the record if we can.

COUNCILMAN LOMBARDI: Absolutely.

CHAIRWOMAN NOLAN: David, can we have a motion to continue this until John Palmieri and/or the owner comes before this Committee and Councilman Lombardi, we will let you know and gives us a plan for what they intend to do. Meanwhile, John, can you do what you can do to get those people out of there if it is unsafe conditions

MR. PALMIERI: Yes. If the Redevelopment Agency still controls the property, we will get them out of the property. If it has changed hands, which is possible, then I think Code has to go in and take action.

COUNCILMAN LOMBARDI: May I pose one other thing?

CHAIRWOMAN NOLAN: Yes.

COUNCILMAN LOMBARDI: Maybe a letter from this Committee because maybe this is a lot of demarcation. Maybe if it stops in my Ward, maybe it will stop in your Ward and maybe it will stop in your Ward. I don't mind being the trail blazer, I really don't. I know that this Committee will join hands with me on this but it is just that I am very concerned that we are going to have a family who is going to have a --- problem and I don't want to be a part of that, in fact, that is right around the --- from my house. I appreciate your indulgence here in the Committee. Thank you Madam Chair.

MR. SMITH: Thank you very much.

MS. ----: The Winter is coming and I am afraid.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted to Continue the foregoing Resolution until John

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Palmieri, Director of the Department of Planning and Development and/or the property owner comes before the Committee on Finance.

**AN ORDINANCE RELATING TO REVENUE AND FINANCE -
ARTICLE VII. TAX EXEMPTION FOR COMPUTER AND
TELEPHONE EQUIPMENT.**

CHAIRWOMAN NOLAN: Who is here?

MR. PALMIERI: I am, Councilwoman, to address that. Do you have copies of the draft Ordinance? I believe that each of you has received from the Clerk's Office, a copy of the draft Ordinance that we are asking to be considered by the Council.

CHAIRWOMAN NOLAN: Yes.

MR. PALMIERI: What I would like to do is to distribute some handouts, letters from the business community and some press releases and articles appearing in the Journal that I think will underscore the importance of the Ordinance that we are asking you to enact. The Ordinance, Madam Chair, is very straight forward. The city's tangible property tax, I think we would all agree, is an overwhelming tax for the business community to sustain. We certainly recognize that this large request of taxation is one that is being studied and will receive additional review through other committees of the Council and the business community but we have agreed that there is one action that we can take quickly to help deliver a message and to signal to the business community, especially the downtown business community, that the city is prepared to provide assistance and that would be through this Ordinance that would allow the city to exempt telecommunications and computer equipment for businesses in the City of Providence, city wide, but it would effect primarily the downtown financial district, to exempt them on taxes that relate to those installations, for a period of 25 years, with the understanding that the net tax that inures to the benefit of the city from a given business, shall not be in any way diminished and that in fact we have used, at least in our draft Ordinance, a 10% requirement but if you are an existing business and will be investing in new equipment and machinery, in the way of telecommunication and computer equipment, that you will be exempted with the understanding that your tax not diminish and that a 10% increase be in fact realized by the city. Moreover, that businesses that

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are considering moving into the city and again, we are targeting the financial services industry, the banking industry, those industries that use computers and telephonic equipment, that those businesses moving in, would be as well exempted from that tax. Any business that would move into the city would be a net gain in the way of revenue to city coffers but let's exempt that portion of their tangible property that they rely on to create jobs and we have talked to representatives of the Economic Development Corporation, Marcel Valois, members of the corporate downtown community, the Chamber of Commerce, the Foundation, the brokerage community and they all say that we are crippling business to Providence. The tangible tax, I know, has to be addressed on a larger level, Councilman, as we go forward because of its impact across the board but that right now we have an opportunity to instate enabling legislation and certain state initiatives and as the corporate center for the state, to take advantage of the state's tax structure to get new businesses, financial services, like businesses, to move into the city. We have an opportunity and our tax rate on tangible properties, it would effect computers and telecommunications, knocks us out of the box every time any business talks to the state or city on a Providence location. I deal with it directly, once a week. I hear stories from the business community and the brokerage community. It is killing us and this Ordinance would make it possible for us to exempt that specific tax that would apply to those furnishings for the period of 25 years and not any other tangible tax or real estate or property tax and so what we are saying is that we don't lose any tax dollar, rather, we generate new growth and we will guarantee that the taxable income derived from a certain business will not move into the negative column, as we go forward so that businesses that are growing or moving in can take advantage of this legislation. The business community had asked that they be invited to attend this meeting and I asked them to defer attendance until we have a chance to just introduce it through the department. Councilman Igliazzi was kind enough to allow us introduce it.

COUNCILMAN IGLIOZZI: Do you think we need a Public Hearing, John?

MR. PALMIERI: Yes, well, let me say this, I would defer to the Law Department but I think that the Ordinance would require a public hearing and two passages, certainly David.

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CHAIRWOMAN NOLAN: Is Patricia here?

COUNCILMAN IGLIOZZI: Maybe we can schedule it for a Public Hearing with those other matters.

MR. PALMIERI: That would be really wonderful.

COUNCILMAN IGLIOZZI: Then the business community can come down and they can pitch on the record.

CHAIRWOMAN NOLAN: On the tax exemption, are we ready at this point to schedule it for a Public Hearing?

MS. MCLAUGHLIN: Sure.

CHAIRWOMAN NOLAN: Any questions from any members of the Committee?

CHAIRWOMAN FARGNOLI: My only concern is that we do have in place a committee that is studying structure of the funding mechanism for the City of Providence and I believe that one of the priorities should be to look at the tangible taxes and taxes of this type that seem to stymie development and we know we have to expand our tax base. We know we have to look beyond what we have here now and I just wonder if perhaps we should wait until this committee comes forth with a report.

CHAIRWOMAN NOLAN: When is that report due?

CHAIRWOMAN FARGNOLI: That is due, hopefully, by February. I would not want to hold this up because I realize that in order to encourage development in the city, you have to make certain amounts of leeway and so far as taxation goes but it could be part of the package that this committee will bring forth in February so I don't know if we should hurry this along or if we should just wait and see.

COUNCILMAN IGLIOZZI: I was going to say, I agree with Council President Fagnoli but I would suggest the following, let's have the Public Hearing and let's ask that committee to review this item and give us a recommendation as soon as possible, on this item. Maybe they could beat the February time frame and say, even though we are looking at greater thing, maybe they could give us an opinion on this and we get the Public Hearing on the way.

CHAIRWOMAN NOLAN: I do think February is a long.....

COUNCIL PRESIDENT FARGNOLI: It's a long time to wait.

COUNCILMAN IGLIOZZI: We all know how long these things take and my experience is, the more bureaucratically and legal requirements

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and Public Hearings, you get out of the way, and then ultimately, you tie it up at the end and if we can pass it right away, that would be better, so I would like to see a Public Hearing with the other items, get that out of the way and maybe ask this committee to review it and give us what their position is on it.

CHAIRWOMAN NOLAN: They are meeting next week so we can bring it up.

COUNCILMAN IGLIOZZI: Right, as opposed to needing to be a part of the whole package, then we could submit their opinion at the Public Hearing maybe. I am just trying to find a way to make movement on it.

MR. CORRENTE: I am concerned that that committee is interested in revenue enhancement, not ----, not collection so I would -- that committee would take into consideration the economic impact.

CHAIRWOMAN NOLAN: They are looking at an economic impact on ----.

MR. CORRENTE: Would they consider doing something like this and not raising any money?

COUNCILMAN IGLIOZZI: Well, this does raise money, I think. It brings business downtown.

CHAIRWOMAN FARGNOLI: It encourages growth.

MR. CORRENTE: But not taxes, per se.

CHAIRWOMAN FARGNOLI: Not taxes.

MR. CORRENTE: That is what my concern is and I am going to tell you something, I am tired of everybody, so many committees, everybody is doing everything like for instance, we have a problem now with the city, Kathy Moretti says to me, they are waiting for results of studying the labor, by the time you get that, this city is going to ---, we have things to do. We can't wait. You know, we don't want to wait for these people. I think you should move ahead and do it in a day, do the right thing and not worry about anybody.

COUNCILMAN IGLIOZZI: I think we can take steps moving ahead and if we feel like we feel comfortable, you know, after the Public Hearing and after the next meeting, that is already November and two passages in December. That would be the quickest this thing could happen is, Public Hearing and get on, either November or December docket.

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MR. CORRENTE: By the way, if this goes through, you might have a good chance at -- fidelity of these businesses because ---- told me that there is a possibility that they might bring a certain amount of employees into Providence if they didn't have to pay for all that.

CHAIRWOMAN FARGNOLI: This Ordinance also has the support of the State Economic Development, Marcel Valois, the Chamber of Commerce. They have all supported it. They feel very strongly about this so that perhaps your suggestion is well taken that we have the Public Hearing.

COUNCILMAN IGLIOZZI: Get everybody on the record.

CHAIRWOMAN NOLAN: Yes.

COUNCILMAN IGLIOZZI: We are going to find out whether the business community and the public, what they feel about it and I think that we should encourage that committee to submit at least an opinion, a position on it.

CHAIRWOMAN NOLAN: We will bring that up.

COUNCILMAN IGLIOZZI: If there position is for it, then we have it on the record, if it is against it, we have it on the record. If it is that they are uncertain, they need more time, we have it on the record and we can decide and this Committee can take action. That committee is not going to decide whether we do this or not. It should be an influence but it shouldn't be the decision making committee. This is the Committee that makes the decision. I mean, I just throw that out. I mean, we should encourage as much input as possible but ultimately, we should give people opportunity for this input but we don't just wait, my opinion is, you don't wait, six months for input, seems like an awful long time. That is my only thing. I am not trying to go against the....

CHAIRWOMAN FARGNOLI: No. I just wanted to open up the fact that it is being considered.

CHAIRWOMAN NOLAN: Michael, could you make sure that is on the notice, the advertisement, this matter is on for that Public Hearing we scheduled. Does anybody else have any comments? Tom, do you have idea what this will cost the city?

MR. ROSSI: No, I wasn't prepared.

CHAIRWOMAN NOLAN: Maybe at the Public Hearing.

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MR. ROSSI: It can only have a positive impact. Like I said, you know, we are saying that it may be no tax dollars but the zero tax dollars, what else does it bring with it? Does it bring other taxes with it? Does it bring rental property more value and things like that so there are other impacts that ---- this type of an Ordinance could bring into play.

CHAIRWOMAN NOLAN: Okay, and Michael, you will stagger those times on those three?

MR. CLEMENT: Yes, I will.

CHAIRWOMAN NOLAN: Thank you. Any other questions?

COUNCILMAN IGLIOZZI: Are we going to move to continue this or move to schedule it? Schedule it for the Public Hearing?

CHAIRWOMAN NOLAN: Yes.

COUNCILMAN IGLIOZZI: And leaving it to the discretion of the Law Department and the Clerk's Office to set a date?

CHAIRWOMAN NOLAN: Is that a motion ?

COUNCILMAN IGLIOZZI: That's a motion, I mean, it's really the Chairwoman's prerogative.

CHAIRWOMAN NOLAN: Yes. Move to schedule the meeting with the other matters on the tax stabilization's?

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted to schedule a Public Hearing on Monday, October 21, 1996 on the foregoing Ordinance.

CHAIRWOMAN NOLAN: The other items on our agenda, do we want to continue them in lieu of the fact that a lot of the Council people are here or if they have been published, do we have to take them up tonight?

COUNCIL PRESIDENT FARGNOLI: We can continue them but I believe Mr. Ihenacho has been here waiting patiently.

MS. MCLAUGHLIN: He is here for 6:00 o'clock, too.

RESOLUTION SUPPORTING THE DEPARTMENT OF PUBLIC PROPERTY FOR THE BUILDING OF SCHOOLS AT THE OLD CABLE ELECTRIC BUILDING ON BUCKLIN STREET AND DABOLL STREET, THE EXTRA CLASSROOMS AT BRIDGHAM MIDDLE SCHOOL AND ALSO THE TEN (10) CLASSROOMS AT SAINT ANTHONY'S SCHOOL.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted that the foregoing Resolution be Postponed Indefinitely.

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RESOLUTION REQUESTING THE FINANCE COMMITTEE TO REAPPOINT THE CURRENT MEMBERS OF THE PROVIDENCE REVIEW COMMISSION.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted that the foregoing Resolution be Postponed Indefinitely.

RESOLUTION REQUESTING THE ADMINISTRATION TO ABOLISH THE PROVIDENCE POLICE ACADEMY AND HAVE ALL FUTURE POLICE TRAINEES ATTEND THE RHODE ISLAND MUNICIPAL POLICE ACADEMY.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted that the foregoing Resolution be Postponed Indefinitely.

AN ORDINANCE ESTABLISHING A TAX EXEMPTION FOR VETERANS OF FOREIGN WARS OF THE UNITED STATES, BAGALIO-TOCCI POST 172, 22 WINTER STREET, PROVIDENCE, RHODE ISLAND.

CHAIRWOMAN NOLAN: They are already tax exempt.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted that the foregoing Resolution be Postponed Indefinitely.

OVERTIME FOR DPW SUPERVISORS.

CHAIRWOMAN NOLAN: Are you prepared Fred, to talk about the overtime for the DPW Supervisors?

MR. IHENACHO: Sure.

CHAIRWOMAN NOLAN: Would it be an inconvenience if we continued it until Monday?

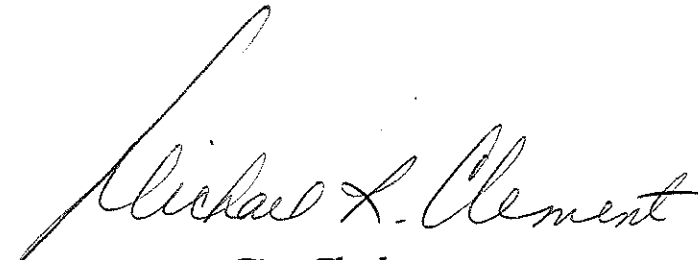
MR. IHENACHO: No.

CHAIRWOMAN NOLAN: Because we are running a little over and I don't want to run into the meeting for the other one.

On motion of Councilman Igliazzi, seconded by Council President Fargnoli, it is voted to Continue the Overtime for DPW Supervisors.

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ADJOURNMENT: On motion of Council President Fagnoli,
seconded by Councilman Iglizzi, it is voted to adjourn the meeting at 6:15
o'clock P.M.


City Clerk


Assistant Clerk