55 DORRANCE STREET, SUITE 400 PROVIDENCE, RI 02903 EMAIL: sdz@om-rilaw.com Office: (401) 861-2900 ext. 105



#### **COMMITTEES**

Finance Vice Chair

Ordinance

### City of Providence, Rhode Island

Education Sub-Committee
Chairman

March 21, 2012

John J. Bowen President, Johnson and Wales University 8 Abbott Park Place Providence, RI 02903

#### Dear President Bowen:

I write to thank you for your leadership in negotiating a new agreement with the City of Providence to make payments in lieu of taxes at a level of \$958,000 or greater. Last night, the City Council approved this historic agreement which, along with the offer of Johnson and Wales to advance these sums in the short term, provides an outstanding contribution to a sound financial future for the City of Providence. What is more, Johnson and Wales has set an outstanding example for its sister nonprofit institutions in Providence.

The City still has a large amount of work in the coming weeks and months, but I will never forget Johnson and Wales's brave and generous response in our time of need.

Sincerely,

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## SAMUEL D. ZURIER

55 DORRANCE STREET, SUITE 400 PROVIDENCE, RI 02903 EMAIL: sdz@om-rilaw.com Office: (401) 861-2900 ext 105



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Finance

Vice Chair

Ordinance

### City of Providence, Rhode Island

Education Sub-Committee
Chairman

March 21, 2012

Ruth Simmons
President, Brown University
President's Office
1 Prospect Street
Providence, RI 02906

#### Dear President Simmons:

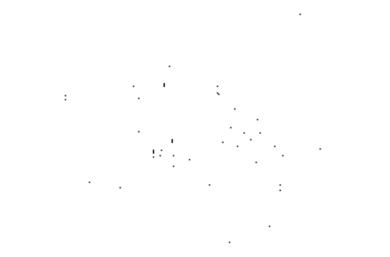
I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Brown University, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Brown University) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Brown University.

As you know, Brown University negotiators met with Providence officials last year, and reached a tentative proposal (or joint recommendation) to increase the University's base payment to the City by \$4 million, which would result in a total payment of \$5.2 million. This would equal 19% of the amount Brown otherwise would pay in taxes, close to the range set by Johnson and Wales. If Brown University chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Brown University bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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#### COMMITTEES

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Ordinance

## City of Providence, Rhode Island

Education Sub-Committee
Chairman

March 21, 2012

John Maeda President, Rhode Island School of Design 20 Washington Place, 4<sup>th</sup> Floor Providence, RI 02903

Dear President Maeda:

I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like RISD, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and RISD) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Rhode Island School of Design.

We understand that the Mayor's office has engaged in negotiations with RISD for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of RISD's real estate holdings of between \$700,000 (12% of nominal property tax) and \$1.1 million (18% of nominal property tax). If RISD chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that RISD bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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#### COMMITTEES

Finance Vice Chair

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**Education Sub-Committee** 

Chairman

Ordinance

### City of Providence, Rhode Island

March 21, 2012

Father Brian J. Shanley President, Providence College 1 Cunningham Square Providence, RI 02908

Dear Father Shanley:

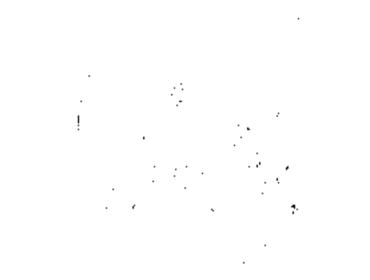
I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Providence College, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Providence College) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Providence College.

We understand that the Mayor's office has engaged in negotiations with RISD for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Providence College's real estate holdings of between \$936,000 (12% of nominal property tax) and \$1.4 million (18% of nominal property tax). If Providence College chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Providence College bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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## Finance Vice Chair Ordinance

#### City of Providence, Rhode Island

Education Sub-Committee
Chairman

March 21, 2012

Constance Howes
President and CEO
Womens and Infants Hospital
101 Dudley Street
Providence, RI 02905

Dear President Howes:

I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Women & Infants Hospital, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Women & Infants Hospital) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Womens & Infants Hospital.

We understand that the Mayor's office has engaged in negotiations with Women & Infants Hospital for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Women & Infants Hospital's real estate holdings of between \$460,000 (12% of nominal property tax) and \$700,000 (18% of nominal property tax). If Women & Infants Hospital chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Women & Infants Hospital bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

## COUNCILMAN SAMUEL D. ZURIER DORRANCE STREET SHITE 4

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Vice Chair

Education Sub-Committee

Chairman

Ordinance

## City of Providence, Rhode Island

March 21, 2012

George A. Vecchione President, Lifespan 167 Point Street Providence, RI 02903

#### Dear President Vecchione:

I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Miriam Hospital, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Miriam Hospital) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Miriam Hospital.

We understand that the Mayor's office has engaged in negotiations with Miriam Hospital for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Miriam Hospital's real estate holdings of between \$600,000 (12% of nominal property tax) and \$900,000 (18% of nominal property tax). If Miriam Hospital chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Miriam Hospital bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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#### COMMITTEES

Finance Vice Chair

Ordinance

Education Sub-Committee
Chairman

## City of Providence, Rhode Island

March 21, 2012

George A. Vecchione President, Lifespan 167 Point Street Providence, RI 02903

#### Dear President Vecchione:

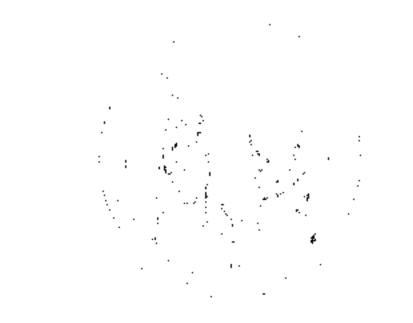
I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Rhode Island Hospital, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Rhode Island Hospital) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Rhode Island Hospital.

We understand that the Mayor's office has engaged in negotiations with Rhode Island Hospital for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Rhode Island Hospital's real estate holdings of between \$2.4 million (12% of nominal property tax) and \$3.6 million (18% of nominal property tax). If Rhode Island Hospital chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Rhode Island Hospital bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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# Finance Vice Chair Ordinance Codinance

Chairman

### City of Providence, Rhode Island

March 21, 2012

Dennis D. Keefe President, Butler Hospital 345 Blackstone Blvd Providence, RI 02906

Dear President Keefe:

I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Butler Hospital, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Butler Hospital) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Butler Hospital.

We understand that the Mayor's office has engaged in negotiations with Butler Hospital for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Butler Hospital's real estate holdings of between \$384,000 (12% of nominal property tax) and \$575,000 (18% of nominal property tax). If Butler Hospital chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Butler Hospital bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.

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## COMMITTEES

Vice Chair

Ordinance

Education Sub-Committee
Chairman

## City of Providence, Rhode Island

March 21, 2012

Kenneth H. Belcher, President Roger Williams Medical Center 825 Chalkstone Avenue Providence, RI 02908

Dear President Belcher:

I write to inform you of the Providence City Council's approval of an agreement with Johnson and Wales University for annual payments in lieu of taxes between \$958,000 and \$1.45 million. After deducting \$140,000 per year for the value of street closures included in the agreement, this amount equals between 12% and 18% of what Johnson and Wales would pay if its real estate subject to taxation. The upper end of this range is sufficient to reimburse the City for the direct cost of the services it provides to the University even after accounting for the State's municipal aid PILOT program.

Johnson and Wales, like Roger Williams Medical Center, provides numerous other valuable contributions to the City of Providence that can, in a more prosperous time, justify the City's providing municipal services to Johnson and Wales (and Roger Williams Medical Center) without reimbursement. Johnson and Wales has the vision to realize, however, that the City's current financial posture is perilous, justifying a decision by the University to rearrange its own financial priorities. In this way, Johnson and Wales has provided an outstanding model of citizenship to other Providence nonprofit organizations, including Roger Williams Medical Center.

We understand that the Mayor's office has engaged in negotiations with Roger Williams Medical Center for almost a year without reaching agreement. The successful conclusion of an agreement with Johnson and Wales provides a range for these negotiations, based on the value of Roger Williams Medical Center's real estate holdings of between \$360,000 (12% of nominal property tax) and \$540,000 (18% of nominal property tax). If Roger Williams Medical Center chooses to follow its sister institution's example, it can join hands with Johnson and Wales as proud partners in saving the City of Providence.

For these reasons, I respectfully request that Roger Williams Medical Center bring its negotiations with the City of Providence to a successful conclusion within the next few weeks, as the City is struggling on the verge of bankruptcy. Thank you for your consideration.