

This confidential draft document is nonbinding and subject to negotiation of a binding agreement with terms satisfactory to all parties, which agreement will not be binding until signed by all parties.

## **MEMORANDUM OF AGREEMENT**

**by and between the**

**CITY OF PROVIDENCE**

**And**

**BROWN UNIVERSITY**

**Dated as of <insert date>, 2023**

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This Memorandum of Agreement (this "Agreement") is entered into by Brown University, an independent, private, non-profit, tax-exempt, Rhode Island institution of higher education established in 1764 by colonial charter and existing pursuant to the laws of the State of Rhode Island, having a mailing address of University Hall, One Prospect Street, Providence, Rhode Island 02912 ("Brown"), and the City of Providence, Rhode Island, a municipal corporation located in the State of Rhode Island, having a mailing address of City Hall, 25 Dorrance Street, Providence, Rhode Island 02903 (the "City").

### **I. Introduction**

The parties recognize that Brown provides substantial economic, educational and non-economic benefits to the City and the community. Further, Brown is amenable to working with the City to advance the growth of Brown while simultaneously assisting the City. In entering into this Agreement, the City and Brown acknowledge and agree to their shared interest in promoting economic development, creating jobs, and working collaboratively to increase and improve the prosperity of the City of Providence and the quality of life for its residents.

In recognition of the parties' mutual interests, Brown and the City have therefore entered into this Agreement as follows.

### **II. Payments to the City**

Provided that all of the "Conditions to Payment" (as defined in Section III below) have been satisfied and remain satisfied at all times during the term of this Agreement, Brown shall make voluntary payments to the City (in readily available funds) in the total amount of \$46 million over ten years in accordance with the payment schedule provided in the table immediately below. If any of the following dates falls on (a) a Saturday, Sunday, or other legal holiday in Rhode Island, or (b) a day on which banking institutions are authorized pursuant to United States law to close, then the payment may be made on the next succeeding business day:

<b>Date of Payment</b>	<b>Amount of Payment</b>
August 1, 2024	\$6,000,000
July 1, 2025	\$6,000,000
July 1, 2026	\$5,000,000
July 1, 2027	\$5,000,000
July 1, 2028	\$4,000,000
July 1, 2029	\$4,000,000
July 1, 2030	\$4,000,000
July 1, 2031	\$4,000,000
July 1, 2032	\$4,000,000
July 1, 2033	\$4,000,000

### **III. Conditions to Payment**

“Conditions to Payment” shall mean, collectively, the following:

1. Year One Condition to Payment: by no later than August 1, 2024:

An extension of the existing license of certain property and parking rights shall have been entered into between the City and Brown as described in Section V below (the “Parking License Condition”) and the “Zoning and Associated Conditions” described in Section VI shall have been satisfied.

2. Year Two Condition to Payment: by no later than July 1, 2025:

Title to certain real property in the Jewelry District neighborhood of Providence shall have been effectively conveyed by the City to Brown as described in Section IV below (the “Jewelry District Blocks Conveyance Condition”).

3. Year Three Condition to Payment: by no later than July 1, 2026:

Title to certain real property in the College Hill neighborhood of Providence shall have been effectively conveyed by the City to Brown as described in Section IV below (the “College Hill Block Conveyance Condition”).

4. Additional Conditions to Payment: by the deadlines specified in such sections, or on an ongoing basis, as the language of such sections require:

- A. The “Zoning and Associated Conditions” described in Section VI below shall have been satisfied and shall remain satisfied.
- B. The “Credits Against Payments Conditions” described in Section VI below shall have been satisfied and shall remain satisfied.
- C. The “Legal Compliance Conditions” described in Section VIII below shall have been satisfied and shall remain satisfied.

#### IV. Block Conveyance Conditions

1. The "**Jewelry District Blocks Conveyance Condition**" shall mean that the City shall have conveyed to Brown good, clear, record and marketable title to approximately 27,550 square feet of City blocks in the Jewelry District neighborhood of Providence that are bounded on both sides by Brown-owned properties, specifically: two blocks of Richmond Street between Ship and South Streets and two blocks of Elm Street between Eddy and Chestnut Street (the "Jewelry District Blocks Conveyance"). The blocks to be conveyed by the Jewelry District Blocks Conveyance are depicted on Exhibit A-1 attached hereto. The parties recognize that the conveyance shall require Brown to petition the City Council for an abandonment in accordance with § 24-6-1 *et seq.* of the General Laws, and that Brown shall do so at its sole cost and expense. The City's administration shall use best efforts to support Brown's abandonment petition. Brown agrees that, as part of its abandonment petition, it shall agree to grant sewer and water utility easements to the City that relate to and reflect the existing water utilities depicted on Exhibit B-1 and existing sewer utilities depicted on Exhibit C-1, and that the abandonment shall be subject to other utility easements as are acceptable to Brown.
2. The "**College Hill Block Conveyance Condition**" shall mean that the City shall have conveyed to Brown good, clear, record and marketable title to approximately 6,890 square feet of a City block in the College Hill neighborhood of Providence that is bounded on both sides by Brown-owned properties, specifically: one block of Cushing Street between Brook and Hope Streets (the "College Hill Block Conveyance"). The block to be conveyed by the College Hill Block Conveyance is depicted on Exhibit A-2 attached hereto. The parties recognize that the conveyance shall require Brown to petition the City Council for an abandonment in accordance with § 24-6-1 *et seq.* of the General Laws, and that Brown shall do so at its sole cost and expense. The City's administration shall use best efforts to support Brown's abandonment petition. Brown agrees that, as part of its abandonment petition, it shall agree to grant sewer and water utility easements to the City that relate to and reflect the existing water utilities depicted on Exhibit B-2 and existing sewer utilities depicted on Exhibit C-2, and that the abandonment shall be subject to other utility easements as are acceptable to Brown.
3. Nothing herein shall entitle Brown to the legislative action necessary to meet the Jewelry District Blocks Conveyance Condition or the College Hill Block Conveyance Condition (collectively, the "Block Conveyance Conditions"), although the City's administration shall make best efforts to support Brown's abandonment petition. If the Block Conveyance Conditions fail to occur by the dates referenced in Section III of this Agreement, it is specifically agreed and understood that the Conditions to Payment shall not be satisfied and that this Agreement, including but not limited to the schedule and amount of Payments to the City, shall be re-open for negotiation and further agreement.
4. Nothing herein shall prevent Brown and the City from completing the legislative action necessary to effect either of the Block Conveyance Conditions by date(s) earlier than the Year Two and Year Three payment dates.

## **V. Parking License Condition**

The "Parking License Condition" shall mean that the Parking License Agreement entered into between the City and Brown (the "Parking License") as described in the Memorandum of Agreement between the parties dated April 30, 2012, with an initial term of 20 years beginning July 1, 2013 and set to expire June 30, 2033, (a) shall be (and hereby is) extended until June 30, 2043, notwithstanding the notice requirements of Section 1(b) of the Parking License; and (b) that in consideration of the voluntary payments being made by Brown under this Agreement, the City agrees that notwithstanding the provisions of Section 1(c) of the Parking License, Brown shall not be required to pay an Extension License Fee (as defined therein) during such extended term. Further, the City and Brown agree to discuss, as needed, expansion of the physical area of eligibility for the parking spaces provided for in that Parking License in the event parking spaces covered by the Parking License are lost due to the creation of loading zones or other changes implemented by the City. All other terms and conditions of the Parking License shall remain in full force and effect and shall remain unchanged except to the extent they are amended or modified by this Agreement.

## **VI. Zoning and Associated Conditions**

The "Zoning and Associated Condition" shall mean that the City has provided Brown with all legislative and administrative actions necessary in order for the following to occur:

1. (a) A bridge to be constructed by Brown over a portion of Elbow Street connecting Brown's Laboratories for Molecular Medicine ("70 Ship Street") to the proposed Integrated Life Sciences Building (the "ILSB") on the opposite side of Elbow Street, together with sufficient easements (including for air rights, utilities, and communications) with respect to a portion of Elbow Street between Ship and Chestnut Streets to adequately support the construction of such a bridge over that street as described above, by no later than six (6) months from submission by Brown of complete applications and/or petitions therefor.
- (b) Construction of the ILSB, together with sufficient easements (including for utilities and communications) to support the delivery and service needs of those two buildings, by no later than six (6) months from submission by Brown of complete applications and/or petitions therefor, and on an ongoing basis, the City shall regulate traffic movement in that area so as to adequately meet and support the construction, delivery and service needs of the ILSB and 70 Ship, including but not limited to regulating or changing the direction of traffic on Elbow Street and/or other nearby streets. These obligations are independent of those related to the construction of the bridge described in clause (a) of this Section VI.
- (c) The parties recognize that the conveyance of any such approvals, easements and similar actions by the City may require Brown to petition the City Council and that Brown shall do so at its sole cost and expense, including the cost of notice and newspaper advertising, but that Brown shall not have to pay any other additional amounts for the value of any air rights or easements, including underground easements, or other actions taken by the City, as such costs have been incorporated into the payment schedules herein.

2. Extension of the I-2 Zone to include the Brown-owned parcel on the northeast corner of Power and Brook Streets, by no later than six (6) months from submission by Brown of a complete application and/or petition.
3. The City will agree to use funds from this Agreement to relocate the Providence Police substation from 172 Cushing Street to some other permanent location, by no later than August 31, 2024.

Nothing herein shall entitle Brown to the legislative or administrative actions necessary to meet the Zoning and Associated Conditions, although the City's administration shall make best efforts to support Brown's applications and/or petitions for the necessary legislative and administrative actions, so long as such support is consistent with the City's Comprehensive Plan. If any of the Zoning and Associated Condition fails to occur by the applicable dates specified above, it is specifically agreed and understood that the Conditions to Payment shall not be satisfied and that this Agreement, including but not limited to the schedule and amount of Payments to the City, shall be re-open for negotiation and further agreement.

## **VII. Credits Against Payments Condition**

The "Credits Against Payments Condition" shall mean that the City and Brown shall agree to the following terms and conditions of the Agreement:

In entering into this Agreement, the City and Brown acknowledge and agree to their shared interest in promoting economic development, creating jobs, and increasing the base of tax revenue collected by the City. In order to align the joint incentives of both parties to do so, the City and Brown agree to the following "Credits Against Payments Condition":

1. Brown shall be eligible to reduce its annual voluntary payment in each year as provided for in Section II (Payments to the City) by fifty percent (50%) of new tax revenue generated each year through any combination of the following credits:
  - a. New tax revenue to the City generated from development projects generated through substantial and material participation by Brown University, including direct development, provision of land, investment, partnership, leasing of space in a new third party commercial development, and other similar actions by Brown which cause the incremental tax revenue producing development to take place. This credit will be applied in each year that tax revenue from the development project is realized, over the life of this Agreement.
  - b. New tax revenue to the City generated by the return of tax-exempt property owned by Brown University (or an affiliate) to the City's commercial tax rolls. This credit will be applied in each year that tax revenue from the return of tax-exempt property to the commercial tax rolls is realized, over the life of this Agreement. It is understood and agreed that the return of tax-exempt property owned by Brown to the City's residential tax rolls (e.g., transfers of owner-occupied residential homes through the Brown to Brown program) is not eligible for credit.

2. Brown shall be eligible to receive up to 100% credit against its annual voluntary payment in the full amount of direct investments in development projects, including but not limited to workforce housing, childcare and public parks, that are done in collaboration with the City and/or a public or private sector partner so designated by the City. Brown and the City will agree on the amount of the credit prior to the initiation of a project, and credits will be applied in the year that funds are disbursed. If these credits exceed the amount owed under the Agreement in any year, these credits will carry forward to future years.
3. The amount of credits earned will be validated by a third-party accounting firm, selected and paid for by Brown, on an annual basis and prior to the scheduled payment date against which the credits shall be applied. Before the validation is conducted Brown will notify the Mayor's designated representative of the selected third-party accounting firm and provide opportunity for any concerns or objections to that firm to be raised.

#### **VIII. Legal Compliance Condition**

The "Legal Compliance Condition" shall mean that the City shall have caused to occur all legislative and administrative actions necessary under applicable law in order for the Blocks Conveyance Conditions to occur, the Parking License Condition to occur, the Zoning and Associated Conditions to occur, and none of the foregoing shall have been made the subject of any appeal or legal challenge (or if the same shall have occurred, the same shall have been favorably and finally disposed of), or found to be invalid in any legal proceeding, nor shall there be any further administrative or legislative actions to amend, modify, rescind, regulate or restrict the Blocks Conveyance Condition, the Parking License, the Zoning and Associated Conditions, or Brown's rights thereunder.

#### **IX. Existing Memorandum Unaffected**

The <insert date>, 2023 Memorandum of Understanding (the "MOU") by and amongst the City, Brown, and three other educational institutions remains in full force and effect and is not modified by this Agreement in any way.

#### **X. Non-Performance, Default, and Remedies**

The parties agree that each shall act in good faith in implementing the terms of the agreement.

If at any time a Condition to Payment is not satisfied, Brown shall have no obligation to make any further payment hereunder.

In the event that either party shall fail to perform fully the obligations contained in this agreement, the other party shall be entitled to fully enforce the outstanding obligations; provided, however, that Brown acknowledges it has no enforcement rights with respect to legislative and/or administrative actions that require the approval of independent municipal bodies of the City.

In the event that the Conditions to Payment have been satisfied and Brown fails to make any payment to the City in accordance with the time frame specified for such payment, the City shall, as its exclusive remedy, be entitled to seek damages in a court of law. There

shall be no notice and cure opportunities for Brown with respect to monetary defaults.

In the event that the City breaches any of its material obligations under this Agreement or the Parking License and the City fails to cure any such breach within sixty (60) days from receiving written notice of the same, Brown shall be permitted to terminate this Agreement and no further payments required under the terms of this Agreement shall be due. Upon the City effectuating a cure, the notice of default shall be deemed null and void and this Agreement shall continue in full force and effect.

## **XI. Miscellaneous**

The parties agree that this Agreement represents an effort on the part of Brown and the City to address mutual needs and the effect of the same is not intended to nor shall it affect, alter, diminish, or modify the legal status, force, and effect of Brown's tax-exempt status in any way. Nothing in this Agreement shall prohibit or restrict Brown in its right to challenge any attempt to affect, alter, diminish or modify the legal status, force, and effect of Brown's tax-exempt status in any way.

General captions and section titles are for convenience of reference only, and shall not be used to construe this Agreement. References to a Section include subsections thereof.

The term "including" shall be interpreted to mean "including, without limitation," unless the context otherwise expressly specifies.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all of which shall be deemed to constitute one instrument. Photocopies, facsimile and electronic versions (such as pdf, jpeg, and tif) of this Agreement shall be deemed originals and treated as binding.

This Agreement, including all exhibits attached hereto, together with the Parking License, constitutes the entire understanding and agreement of the parties hereto with respect to the matters hereof and supersedes all prior understandings and agreements in their entirety, if any, there being no other oral or written promises, conditions, representations, understandings, agreements, or terms of any kind as conditions or inducements to the execution hereof and none have been relied upon by either party. Any subsequent conditions, representations, warranties, agreements, or amendments to or modifications of this Agreement shall not be valid and binding upon the parties unless the same shall be embodied in a subsequent writing signed by both of the parties hereto.

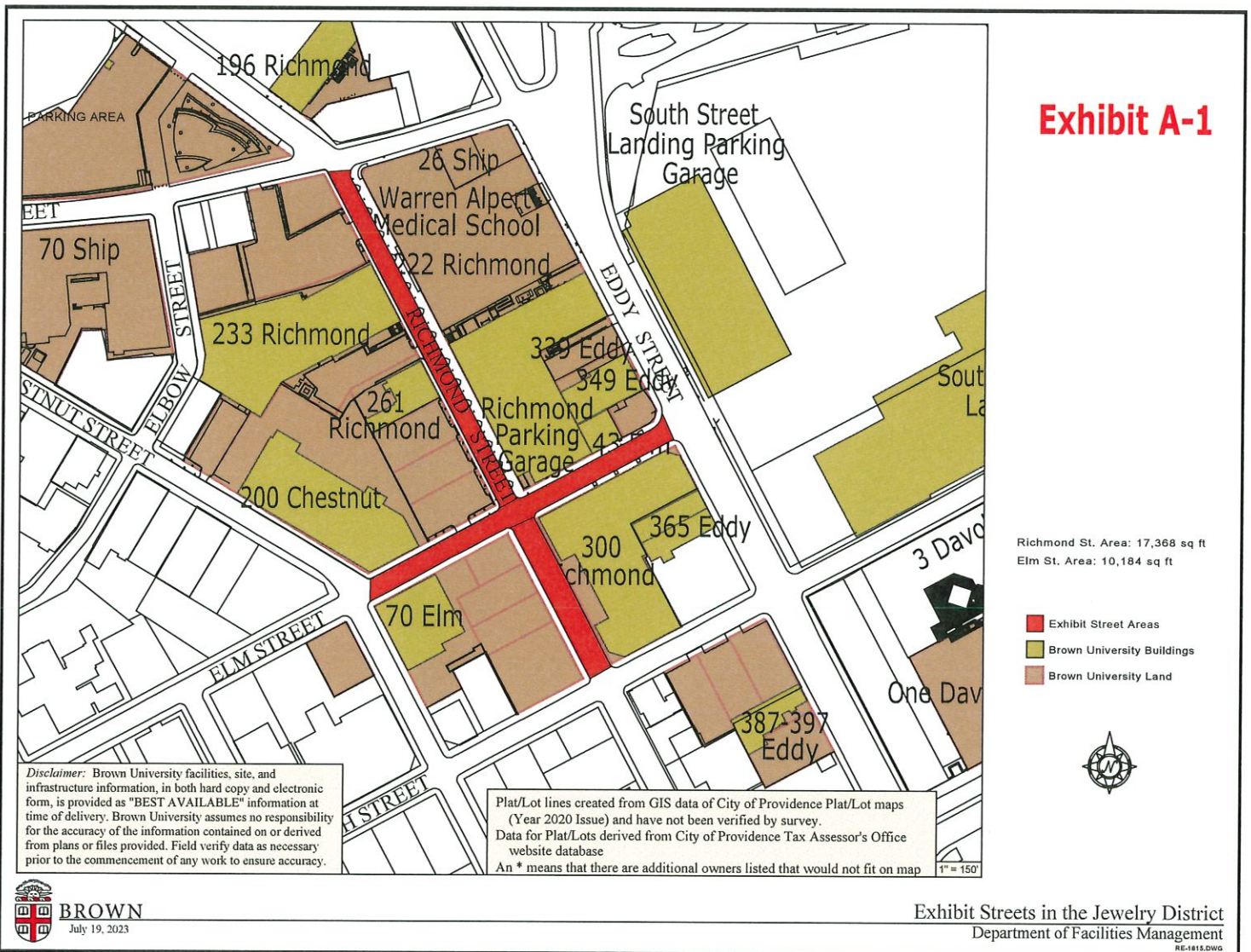
Any notice or demand which must or may be given under this Agreement or by law shall be in writing and shall be deemed to have been given when delivered by personal delivery; one (1) business day after being deposited with a nationally recognized overnight courier; or two (2) business days after being deposited in the United States mail, certified, return receipt requested, full postage prepaid, addressed to the respective parties at the addresses set forth in the in this Agreement. All notices or demands sent to the City shall be sent to the attention of the Mayor's Office, with a copy sent simultaneously (in accordance with the methods herein provided) to the attention of the City Solicitor. All notices or demands sent to Brown shall be sent to the attention of the President with a copy sent simultaneously (in accordance with the methods herein provided) to the attention of the General Counsel.

IN WITNESS WHEREOF, each of the parties has caused this Memorandum to be executed by their respective duly authorized officers as of the day and year first written above.

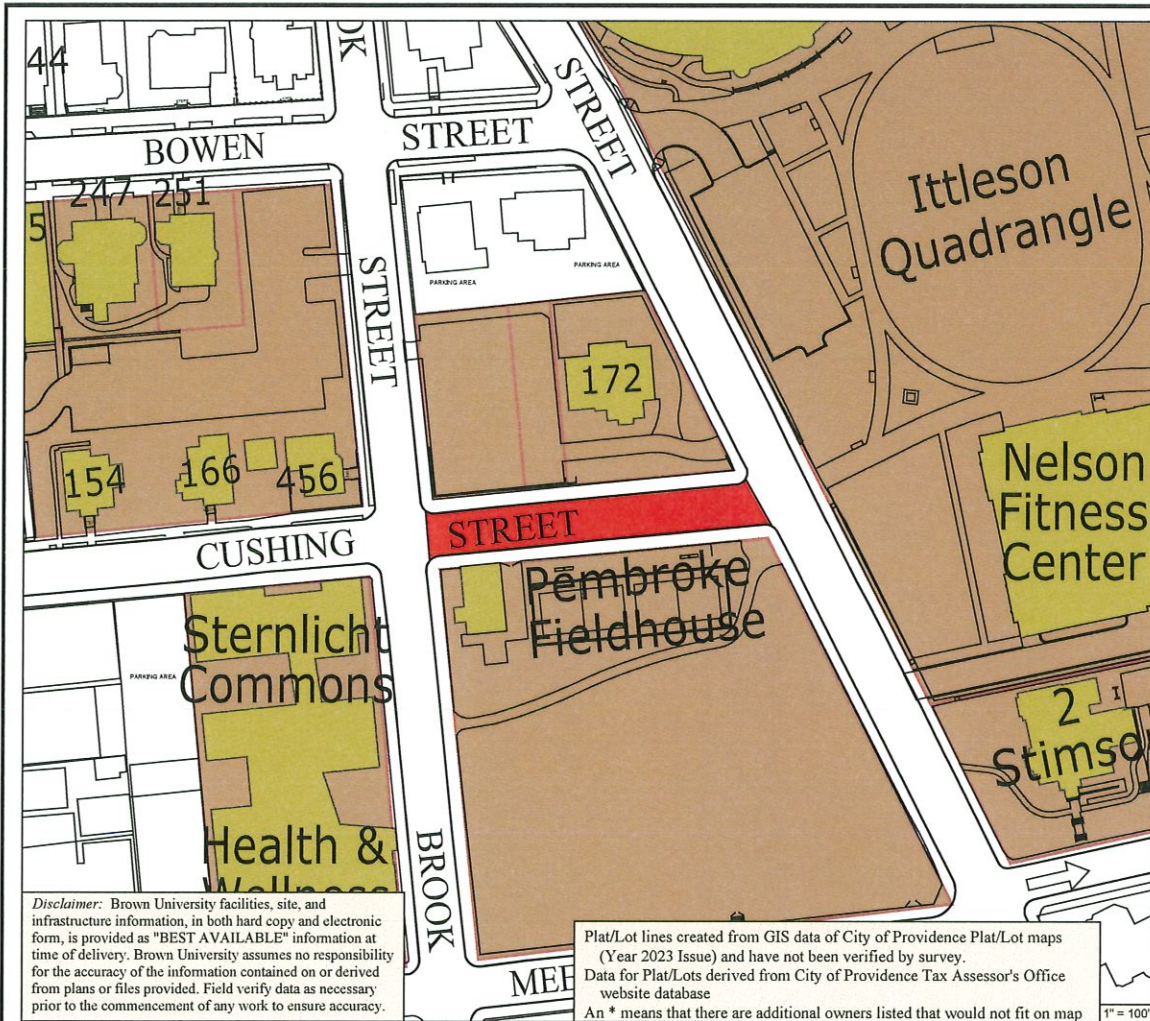
THE CITY OF PROVIDENCE		BROWN UNIVERSITY	
By (print):		By (print):	
By (sign):		By (sign):	
Date:		Date:	



## Exhibit A-1



## Exhibit A-2

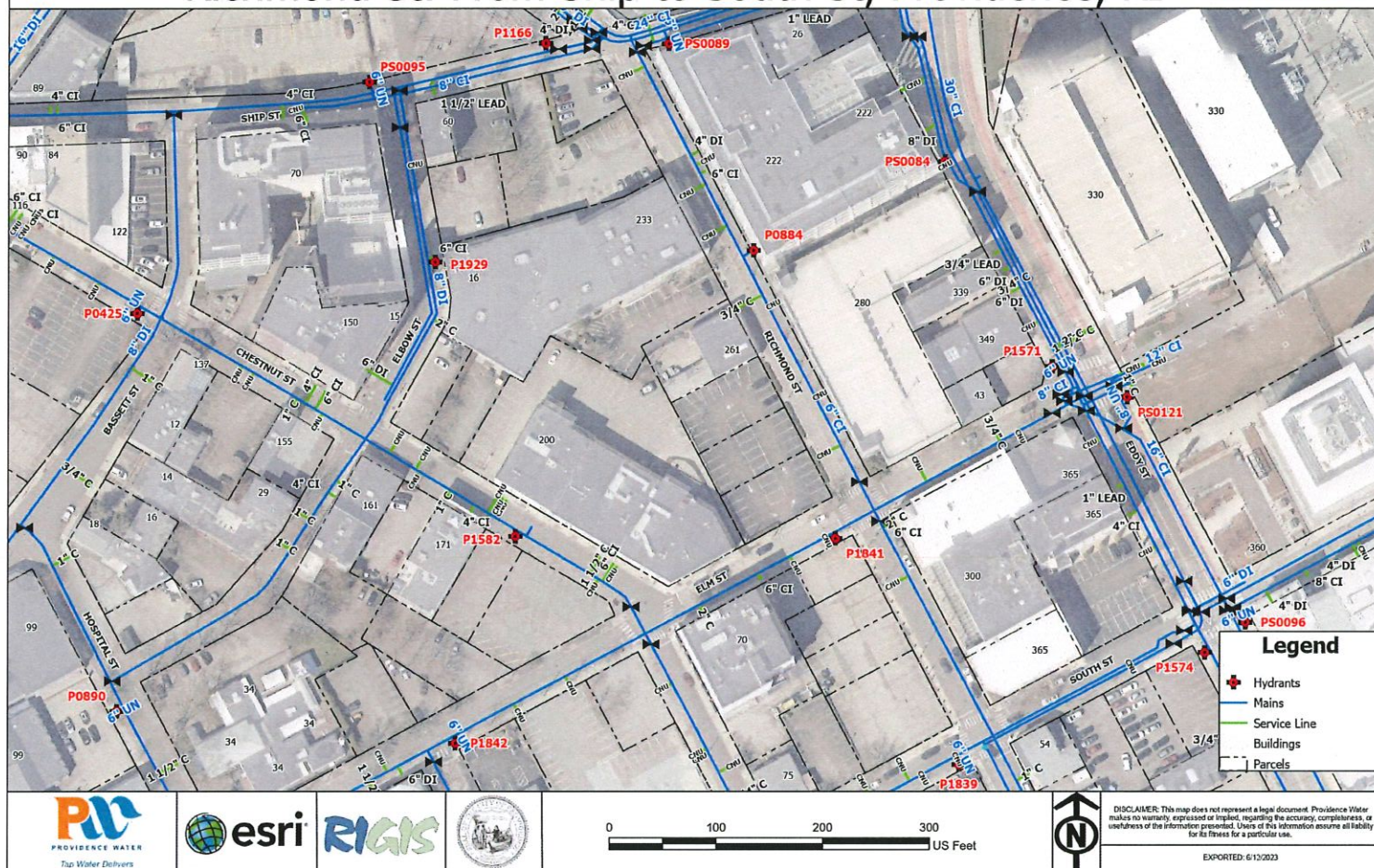


Cushing St. Area: 6,984 sq ft

- Exhibit Street Areas
- Brown University Buildings
- Brown University Land



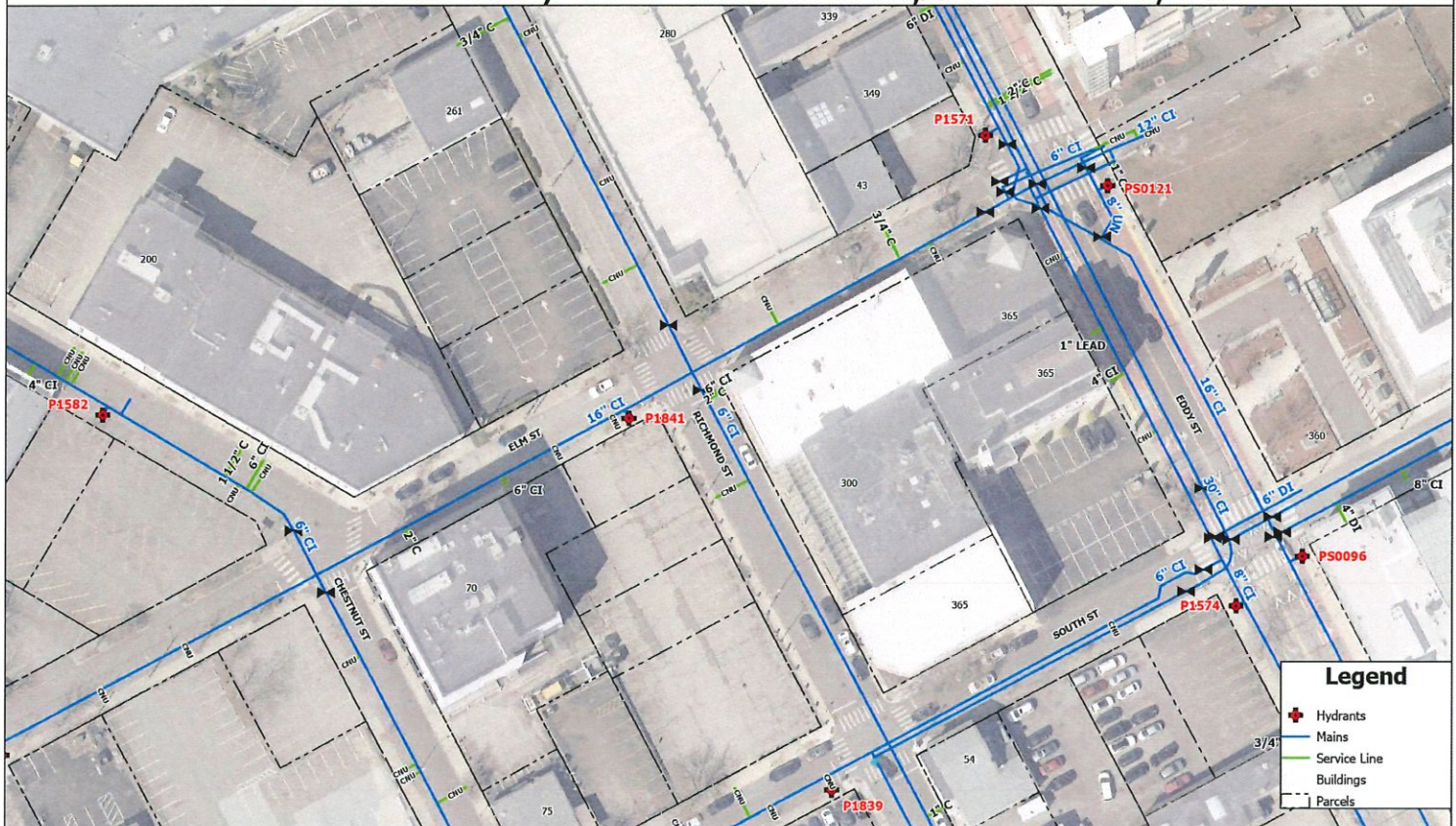


**Exhibit B-1**



# Elm St: From Eddy St to Chestnut St, Providence, RI

**Exhibit B-1**



## Legend

- + Hydrants
- Mains
- Service Line
- Buildings
- Parcels



0 100 200  
US Feet



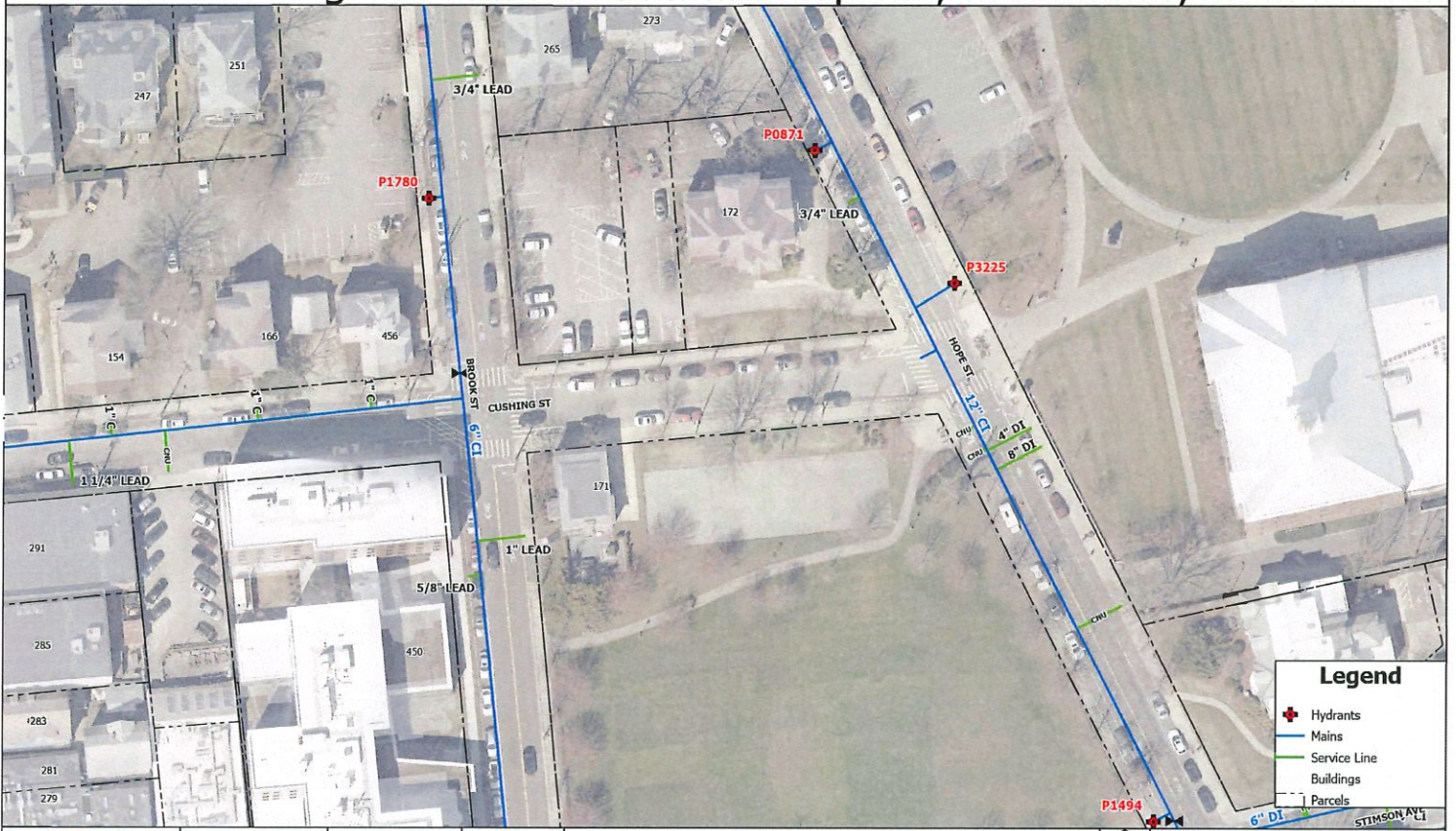
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# Cushing St: From Brook St to Hope St, Providence, RI

Exhibit B-2



## Legend

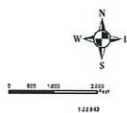
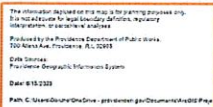
- + Hydrants
- Mains
- Service Line
- Buildings
- Parcels



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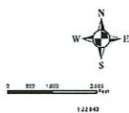
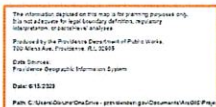
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DEPARTMENT OF PUBLIC WORKS





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