

Thank you, Chairman Slater and members of the Committee. I appreciate you taking the time to review my testimony. I'm writing to you all today to ask that the Committee shift the grant appropriation for WaterFire Providence from general revenues paid through the Rhode Island State Council on the Arts, to hotel tax collections provided to the Commerce Corporation.

The justification for this support is the economic impact created by its draw for tourism; however, tourism taxes have not gone to the General Fund since FY 2016. Hotel taxes are the logically consistent source of support, so that those who come for WaterFire's events are the ones paying for its subsidy.

Rhode Island has provided financial support to WaterFire Providence since at least FY 2011. For the period of FY 2011 to FY 2024 this includes \$4.7 million from general revenues for operating support. During that same time, WaterFire Providence has paid its top three executives \$4.2 million; meaning state taxpayers have supported 90.0 percent of those executive salaries<sup>1</sup>. This includes 2023, when WaterFire needed to use a \$650,000 line of credit to make payroll and yet doubled the salary of one executive from \$116,229 to \$306,707. As of 2025, the Assembly has since increased its support to \$400,000.

Salari ed Recipients	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Grand Total
BARNABY EVANS	117,829	146,570	145,878	169,010	166,897	153,001	136,666	102,315	105,615	89,152	106,143	116,229	306,707	132,757	1,994,769
PAUL KOCHANNEK	-	-	-	-	103,270	111,701	-	105,729	108,095	-	108,451	130,493	125,362	-	793,101
PETER MELLO	-	-	97,452	109,761	104,159	95,884	109,539	109,688	111,453	102,948	121,303	132,346	175,629	145,627	1,415,789
<b>Grand Total</b>	<b>117,829</b>	<b>146,570</b>	<b>243,330</b>	<b>278,771</b>	<b>374,326</b>	<b>360,586</b>	<b>246,205</b>	<b>317,732</b>	<b>325,163</b>	<b>192,100</b>	<b>335,897</b>	<b>379,068</b>	<b>607,698</b>	<b>278,384</b>	<b>4,203,659</b>
<b>Appropriation</b>	<b>250,000</b>	<b>225,000</b>	<b>225,000</b>	<b>225,000</b>	<b>375,000</b>	<b>400,000</b>	<b>4,700,000</b>								

In addition, the state has provided \$5.662 million to WaterFire Providence for its property at 475 Valley St., including \$250,000 from general revenues, \$3.163 million from bond funds approved in 2014, and \$2.250 million from the Historic Tax Credit program, representing about 53 percent of the final rehabilitation cost.

Fund Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Grand Total
Building - Bond Funds	-	-	-	3,162,600	-	-	-	-	-	-	-	-	-	-	3,162,600
Building - General Fund	-	-	250,000	-	-	-	-	-	-	-	-	-	-	-	250,000
Hist. Tax Credit	-	-	-	-	-	-	2,250,000	-	-	-	-	-	-	-	2,250,000
Appropriation	250,000	225,000	225,000	225,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	375,000	400,000	4,700,000
<b>Grand Total</b>	<b>250,000</b>	<b>225,000</b>	<b>475,000</b>	<b>3,387,600</b>	<b>375,000</b>	<b>375,000</b>	<b>2,625,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>375,000</b>	<b>400,000</b>	<b>10,337,600</b>

As you're aware, Chairman Slater, the Providence City Council approved \$25.0 million of debt, of which \$3.7 million is to purchase the WaterFire Providence facility, for a 20-year \$1 leaseback WaterFire. So, as local taxpayers in Providence and Rhode Island, we pay its executive salaries, have paid most of its building rehabilitation cost, and now will own its building and the ongoing maintenance and other capital costs, all for the draw of tourism dollars. All I ask is that we shift the burden from local taxpayers and general revenues to tourists and tourism taxes. In the end, it costs the state nothing on a general revenue basis.

Again, I appreciate you taking the time to review my testimony.

With Respect,

Timothy Donahue

<sup>1</sup> From 990s accessed via ProPublica; accessed March 11, 2026 and attached