

# RESOLUTION OF THE CITY COUNCIL

No.

*Approved*

RESOLVED, That Moratorium is requested for up to a Three Month Period on any new Tax Stabilization Programs for the City of Providence until such time as the City Council can ascertain its economic impact on the City of Providence and the State of Rhode Island.

IN CITY COUNCIL  
NO. 4 1999  
READ AND PASSED  
PRES.  
Michael R. Clement  
CLERK

I hereby disapprove  
and veto —

Vincent A. Cianci  
Mayor

Nov 12, 1999

message attached —  
WC

FILED

NOV 12 4 12 PM '99

DEPT. OF REVENUE  
PROVIDENCE, R.I.

IN CITY COUNCIL  
OCT. 7 1999  
FIRST READING  
REFERRED TO COMMITTEE ON  
FINANCE

*Michael R. Clement* CLERK

THE COMMITTEE ON  
FINANCE

Approves Passage of  
The Within Resolution

*Claire J. Bestwick*  
Oct. 19, 1999 Clerk

*Councilman Allen*



## **Executive Office, City of Providence, Rhode Island**

VINCENT A. CIANCI, JR.

MAYOR

November 12, 1999

The Honorable Michael R. Clement  
City Clerk  
City Hall  
Providence, Rhode Island 02903

Dear Mr. Clerk:

Pursuant to Sections 302(f) and 412 of the Providence Home Rule Charter, I hereby disapprove and veto the Resolution passed November 4, 1999 by the City Council of the City of Providence relative to a three month moratorium on tax stabilizations in the city of Providence. As I reflect on how far we have come as a city, I implore you not to stall the momentum we have worked so hard to achieve.

I remember when I took over as Mayor of Providence, businesses were fleeing this city. I remember being inaugurated and watching them move the piano out of the Biltmore Hotel as it closed their doors. Today, we are building several new hotels. Tax stabilizations helped make those projects economically feasible in an urban environment.

I remember watching retail escape to the suburbs. Today, we witness the newest mall in the country attracting thousands of people to discover our city on a daily basis. In one generation, we recaptured our retail market and in fact, surpassed the amount of retail we have ever had in this city. A tax stabilization made that possible.

People were skeptical when I talked of creating an arts and entertainment district in the "downtown" and a downtown neighborhood consisting of converted buildings into live/work spaces. The upper floors of a former commercial building, the Smith building, sat underutilized and vacant for years. Today, that building is home to many artists and young professionals, who breathe new life to the inner core of our city. The costly conversion of that commercial building to residential living could not have been feasible without a tax stabilization program. The O'Gorman building on Westminster Street, another building with vacant upper floors for over twenty years, is prepared to go forward with housing. The only step left to take was the tax treaty.

The majority of tax stabilizations, however, are not for projects in the downtown area. In fact, most have been in the neighborhoods. Of the approximately thirty treaties

The Honorable Michael R. Clement

Page Two

November 12, 1999

we have done since 1984, approximately twenty have been in the neighborhoods. It is crucial to have this important economic tool available to us as we attract businesses into our neighborhoods. For example, in the Silver Spring Industrial Park, through tax stabilizations we were able to attract two businesses.

We have finally succeeded by making this city attractive to many industries, including but not limited to, retail, tourism and financial services. Many factors have contributed to this success. We now hear from businesses looking to locate in the city that the quality of life here is helpful in recruiting professionals.

My administration works hard to negotiate treaties which give the taxpayer the most for their money. For every tax dollar we abate, we get jobs, minority and female hiring, Providence preference in job selection, and new revenue we previously did not have in our tax base. The abated amounts are on what the completed project generates. For example, at the LaSalle Square site, the proposed hotel will begin paying almost two hundred thousand dollars in tax revenue once construction is complete. We had previously received no tax revenue from the site because we owned it and utilized it as a public safety building. In addition to the jobs and hotel tax that this property will produce, property tax revenue will be generated for the first time on this site. This adds to the tax base and helps to ease the burden of the taxpayers. The same is true at the Providence Place location. We were receiving no tax revenue because both Amtrak and URI were exempt from taxation. The Mall will also eventually increase the tax base.

Many jobs have also been created as a result of these treaties. For example, AAA generated 500 jobs, Inso Corporation added 140 jobs, and Bake-Us, Inc. created 100 jobs. The stately former American Express building in Capital Center will be occupied by Boston Financial Services, a company that could have easily gone to any of the New England states. Boston Financial Services will generate 500 quality jobs in our city. A tax treaty granted to the owner of that building has made it possible to offer a rental that attracted this wonderful company to our city. Imagine the image we would present to the people we attracted by the mall if they faced a vacant building across the street.

This moratorium sends a bad message to the business and development community. The ultimate goal of increased monitoring and compliance is admirable. The means, however, are excessive and misdirected. If it is determined that a company is not complying with the terms of a treaty, direct them to do so and if they do not, void the treaty. That will achieve the goal. To penalize individuals and companies who have not yet done anything wrong, does not accomplish anything. Those who are not in compliance, if any, have not been harmed and those who have stabilizations pending may be harmed by losing their financing. The city is harmed by losing development.

The Honorable Michael R. Clement  
Page Three  
November 12, 1999

As I look over this city, I am proud of all we have accomplished. But we have more to do. We must use every tool available to us and not limit our possibilities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Vincent A. Cianci, Jr.", enclosed within a large, stylized right-facing curly bracket.

VINCENT A. CIANCI, JR.  
Mayor of Providence



THE CITY COUNCIL  
CITY HALL  
PROVIDENCE, R.I. 02903

November 24, 1999

Michael R. Clement  
City Clerk  
City Clerk's Department  
City Hall  
Providence, RI 02903

Dear Mr. Clement:

At the November 4, 1999 meeting of the City Council, the matter of a proposed moratorium on tax stabilizations appeared on the docket. At this session, the City Council took action on the proposed resolution. Subsequent action by the Mayor, if so taken, was not reported to the full council at its November 18<sup>th</sup> session.

Therefore, this is a request, pursuant to the Providence Home Rule Charter, that a report of the Mayor's action on the resolution be transmitted to the full City Council and appear on the docket on December 2, 1999. Additionally, such action by the executive department in all future matters must be promptly reported within the time restrictions as described by city law.

Thank you for your assistance in the matter.

Very truly yours,

*Terrence M. Hassett*  
KH

Terrence M. Hassett  
Councilman - Ward 12

*John J. Iglizzi*

John J. Iglizzi  
Councilman - Ward 7

shall be in full, unless a copy thereof shall have been furnished to each member of the council prior to such reading.

#### **RULE 18. MAYOR'S VETO AND COUNCIL RECONSIDERATION**

The City Council may reconsider any ordinance or resolution vetoed or disapproved, or any separate appropriation item or items vetoed or reduced by the Mayor; and, if after such reconsideration, two-thirds of all the members of the City Council shall vote in favor of passage thereof, it shall become effective notwithstanding the Mayor's action in regard thereto. Such vote must be taken by calling the roll of the members of the City Council and the "yeas" and "nays" of said members voting thereon shall be recorded in the Journal of Proceedings of said City Council. If a larger vote is required for the adoption of a measure by the provisions of the Providence Home Rule Charter, such larger vote shall be required to overcome the veto by the Mayor. The vote of reconsideration of each such vetoed ordinance, resolution or separate appropriation item or items shall be taken at the convenience of the City Council. If the ordinance or resolution or separate appropriation item or items is not passed over the Mayor's veto within thirty days from the date of the delivery thereof to the Mayor, or as herein before provided, the measure or items shall be lost or shall stand reduced, as the case may be.

#### **RULE 19. ORDINANCES / RESOLUTIONS INVOLVING CITY PROPERTY AND ZONING**

All ordinances and resolutions involving the purchase or acquisition of land, or the sale or leasing of city owned land, or the change of the zoning map shall be accompanied by a print or plan showing the location, area and other necessary details of the same and copies of such print or plan shall be furnished to each member of the City Council at the meeting at which such matter shall be acted upon. Such ordinances and resolutions shall also include the street and street number of the premises referred to therein and the plat and lot numbers.

#### **RULE 20. STANDING COMMITTEES, SPECIAL COMMITTEES AND SUBCOMMITTEES**

(a) There shall be quadrennially appointed, by the President of the City Council, immediately after the organization of the city government, the following standing committees of the City Council the members of which shall hold office on such committees until the expiration of the period for which such members are elected to the City Council and until the expiration of the current municipal term; namely, a Committee on City Property; a Committee on Claims and Pending Suits; a Committee on Dr. Charles Chapin Memorial Award; a Committee on Employees' Retirement System; a Committee on Finance; a Committee on Ordinances; a Committee on Public Works; and a Committee on Urban Redevelopment, Renewal and Planning.



THE CITY COUNCIL  
CITY HALL  
PROVIDENCE, R.I. 02903



Michael R. Clement  
City Clerk  
City Clerk's Department  
City Hall  
Providence, RI 02903

NOV 21 1 30 PM '93  
CITY CLERK'S DEPT  
PROVIDENCE, RI