

**City of Providence**  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

# RESOLUTION OF THE CITY COUNCIL

*No. 463*

EFFECTIVE January 29, 2018

WHEREAS, Tax stabilization agreements (TSAs) are a powerful economic development tool to spur jobs, development and tax revenue to the City; and

WHEREAS, Proper oversight and monitoring by City departments is crucial to ensuring that the provisions of TSAs are complied with and the people of Providence receive the full public benefits outlined in TSAs; and

WHEREAS, Over the course of 2014, the City Council Special Committee on Ways and Means examined and reviewed the City's TSAs and tax policies; and

WHEREAS, This review included testimony from many experts, stakeholders and City leaders, including the Director of Economic Development, the Director of Finance, the Internal Auditor, and the Director of Planning and Development; and

WHEREAS, Based on the findings of that review, the Tax Stabilization Policy and Recommendations Report made a number of important recommendations for improving the effectiveness of and compliance with the provisions of the City's TSAs; and

WHEREAS, On December 4<sup>th</sup>, 2014, the Providence City Council passed resolutions #2014-552, #2014-553, and #2014-554 directing the administration and City departments to implement and comply with the recommendations of the aforementioned report; and

WHEREAS, The resolutions included such vital recommendations as requiring annual reports on TSAs, ensuring that information about TSAs and TSA applications is available to the public on the City website, holding compliance meetings with applicants prior to the approval of TSAs, as well as streamlining processes to improve communication between departments monitoring and ensuring compliance with TSAs; and

WHEREAS, Despite the passage of these resolutions more than three years ago, a recent review of the City's TSAs conducted by the Office of the Internal Auditor found there continues to be "widespread noncompliance" with annual reporting requirements, that there is "no easy or transparent way" for members of the public to learn about TSAs in place, that compliance meetings are often delayed until after TSAs have been approved, and that the departments that monitor TSAs do not receive notifications when a new TSA is passed, causing there to be "no proactive compliance efforts made by the City because the responsible departments are not aware that the new TSA exists"; and

WHEREAS, The City Council of the City of Providence has an obligation to the people of Providence to ensure that TSAs are properly monitored and that directives of Council resolutions are followed by City departments.

NOW, THEREFORE, BE IT RESOLVED, That the City Council of the City of Providence does hereby respectfully request that the Finance Director provide the City Council with an update on the City's progress implementing the recommendations set forth in resolutions #2014-552, #2014-553, and #2014-554 by February 28<sup>th</sup>, 2018.

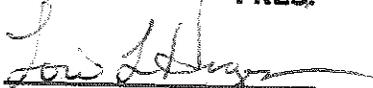
BE IT FURTHER RESOLVED, That, upon passage, copies of this resolution be sent to the Finance Director, the City Solicitor, and the Mayor.

IN CITY COUNCIL

JAN 18 2018

READ AND PASSED

  
PRES.

  
CLERK

Effective without the  
Mayor's Signature

  
Lori L. Hagen  
City Clerk