

ECONOMIC DEVELOPMENT ADVISORY COMMITTEE

THURSDAY, APRIL 21, 2016

DRAFT SPECIAL MEETING MINUTES

A special meeting of the Economic Development Advisory Committee was held at the office of the Department of Planning and Development, 444 Westminster Street, Providence, Rhode Island, in the 1st Floor Conference Room on April 21, 2016. The Economic Development Advisory Committee meeting was called to order at 12:10 P.M, with Mayor Jorge O. Elorza, presiding. Roll call of the members and legal counsel was conducted. A quorum was not yet present, however a discussion of the committee commenced.

MEMBERS IN ATTENDANCE

Members in attendance included Mayor Jorge O. Elorza, Chairman, Brett Smiley, Chief Operating Officer, City of Providence, Daniel Baudouin, Adriana Dawson (Vice-Chair), Mark Feinstein, Amahl Harik, Juana Horton (Secretary), Councilwoman Sabina Matos, Dr. Russell Ricci and William Tracey.

MEMBERS ABSENT

Members not in attendance were John (Jack) Bentz, Allyson Cote, Kas DeCarvalho, Esq. (Treasurer), Stephen DelSesto, Esq., Sussy DeLeon, and Shomari Husband.

STAFF MEMBERS IN ATTENDANCE

Staff members in attendance included Donald Gralnek, Executive Director, Providence Economic Development Partnership (PEDP); Kathy Cosentino, Arthur Speaks, and Gail McGowan.

OTHERS IN ATTENDANCE

Others in attendance were Michael Calise, Esq., Senior Assistant City Solicitor, City of Providence Law Department and Economic Development Advisory Committee legal counsel; Mark Huang, Director of Economic Development, City of Providence; Brian Hull, Director of the Division of Community Development, City of Providence Department of Planning and Development; and Thomas Hoagland, Director and PBLF contract underwriter.

NEW BUSINESS

The matters of the agenda would be taken out of order, with agenda item 4.a., New Business, being discussed first.

The matter of of New Business entertained by the Economic Development Advisory Committee was the discussion of the implementation strategy of the City of Providence regarding the three (3) recent economic development reports. Dr. Russell Ricci provided a presentation of the comments submitted by him relative to the reports. Dr. Ricci provided a quick summary to the committee. The history here is what can we do to the business environment to get more jobs in the city. Dr. Ricci has gone out to talk to people to see how to change the business environment and asked if they were God, what three (3) things they would want to change in Providence. The universal number one answer was to change the financial environment. The second answer was to do something about education and about the workforce, which would need to be done both at the top and at the bottom. There was a fair amount of discussion on the third answer, which was relative to term limits and doing something to improve the educational familiarity with the vocabulary, tasks, and processes of the city. Dr. Ricci has talked with people of this committee, the City Council President and members of the City Council. Dr. Ricci noted that for now, he was looking for feedback from the committee as to whether this was a crazy idea or whether it makes sense for us to continue to research this matter. The question is how we can create an educational experience for folks who are new or want to participate or who will become new because of term limits.

Mr. Smiley noted that he appreciates and applauds Dr. Rucci, who has taken it upon himself and has done a lot of legwork on his own. Dr. Ricci has sat down with significantly important people in the city. Mr. Smiley thanked Dr. Ricci for taking the time to do this. There is no action necessary today, this matter is

just for general feedback as to whether this is a worthwhile endeavor to explore additional professional development and orientation for senior government officials, elected and appointed.

At 12:16 P.M. Councilwoman Matos arrived at the meeting. A quorum was present.

At 12:20 P.M. Juana Horton arrived at the meeting.

The discussion was opened up to feedback and/or questions. Best practices in other municipalities as well as where the responsibility lies in those communities for these sorts of things was questioned and briefly discussed. Organizations such as the National League of Cities and Towns, the Aspen Group, Grow Smart RI were mentioned relative to this type of training programs. The Municipalities Initiative launched by Commerce RI with the School of Continuing Studies at Roger Williams University identified as a premier partner was also briefly discussed. The initiative has made available grant funds that all thirty-nine (39) cities and towns can apply for a small portion of for professional development for key employees that specifically touch small business. The grant funds are in the amount of \$2,500.00 per municipality. It was suggested that our mission of economic development be both recognized and woven into any type of agenda for the training programs so that there is an awareness of what drives economic development.

Mayor Elorza thanked Dr. Ricci for taking the lead and the initiative up to this point. Mayor Elorza noted that he is hearing from around the table that: 1) the committee thinks that he is on to something and that if someone is in public office, they should be informed and have the proper background and training so that they understand the gravity of the decisions they are making; and 2) as a fairly new mayor, Mayor Elorza participated in a new mayor training, adding that we are not the only one facing this as it happening across the country as well as throughout the city and state. Mayor Elorza thinks that something like this makes sense and also thinks that there are different types of training for senior level employees, for rank and file employees and for elected officials. This is something that has to be thought through and that has to be expanded beyond Providence. Mayor Elorza thanked Dr. Ricci for bringing this to this point. We all agree that there is a need for it and that there is a lot more to it. Dr. Ricci concluded his remarks by noting that he will continue to research this matter and report back to the committee.

REPORT OF THE CHAIRMAN

The matter for discussion under the Report of the Chairman was the presentation of the National resource Network City of Providence Ten Year Plan Report. Mayor Elorza provided a presentation of the report to the committee, followed by Brett Smiley. Mayor Elorza began by stating that the City is engaged in a process for the past fifteen (15) months to do long-term planning for the city. This is going to be a key part of what you will be hearing from the administration and the city and what our priority is going to be going forward. There are so many rich resources here in Providence that we are eager to take advantage of. In order to do that, we have to have our fiscal house in order, so that instead of being a drag on continued progress, we can be wind at the sails. Mayor Elorza thanked the Providence Foundation and Daniel Baudouin, who has been one of the key partners in this and provided some funding for this.

Before getting into the report, Mayor Elorza noted that people always ask him if the city is going to go into receivership. Mayor Elorza responded that it is not that bad and that the city is not going into receivership. There are significant challenges. Going back five (5) years, the Taveras administration found a \$110 million deficit and had a cash flow shortage at that point. Their work was truly significant and had they not done what they did, at that point, the city would have gone into receivership. The situation now is different, but no less significant and no less severe. The threat that

the city faces right now is not being able to pay its bills, but the treat we face is dying a very slow and painful death. The report is alerting people that we are heading in this direction. The longer that we wait to address it head on and address it structurally for the long-term, the more difficult, the more costly, and perhaps the less probable it will be that we can turn this around. Mayor Elorza wants to start immediately and by engaging all the different stakeholders. We are looking and thinking five (5), ten (10) and fifteen (15) years down the road, so that we know where we need to be and that these are the steps that we have to take today to get there. The long term fiscal stability and health of the city is what this report is all about and the task that we now have. Mayor Elorza thanked everyone for joining us today.

Mayor Elorza then proceeded to provide a presentation of the key benchmarking findings in the summary provided by the National Resource Network (NRN). The report was provided to the committee in its meeting packages.

Mayor Elorza concluded by reiterating points that he mentioned. These are significant challenges. What is encouraging about the report, however, is that we have a number of tools and options at our disposal. It is going to be very difficult but we have not reached that point where it is impossible yet. When exactly that point is nobody really knows, but we have to work with urgency and act immediately to begin this process in order to take advantage of the tools that we have available to us. We are not facing bankruptcy. What we are facing is what happens if we continue to not invest in our infrastructure and how much we can decrease public services without impacting public safety. Mayor Elorza is going to ensure that in seven (7) years, a new mayor and new city council will inherit a city that is in firm and sound fiscal shape.

Mr. Smiley continued the presentation of the NRN report.

Mr. Smiley concluded that this is really a call to action. There will be five (5) workgroups as well as other meetings to find consensus around the data. Next week NRN will be releasing their recommendations to us around the solutions. Mayor Elorza will be giving his budget address next week also.

The meeting was then opened up to comments and feedback. Questions were raised and discussed. The committee thanked Mayor Elorza and his team for the report and for getting the discussion started. The committee noted that it is highly commendable that the city has taken this on. Mayor Elorza noted that we do have options. This is a potential crisis, but there are tools at our disposal to take action and turn this around.

At 1:12 P.M. Mayor Elorza thanked the committee and left the meeting.

Mr. Smiley announced that Mayor Elorza will be releasing the NRN recommendations on Monday at 4:30 P.M. in the Alderman's Chamber. All are welcome to attend. A digital copy will be provided to Kathy Cosentino to distribute to the committee.

Additional questions were raised and discussed. A brief discussion regarding the tax exempt properties, payments by the non-profit institutions, and the status of the PILOT agreements followed as well as regarding the decrease in state revenues and state funding of the vehicle taxes and the resulting increase in property taxes to fund the gap in revenue.

Mr. Smiley once again extended an open invitation to attend next Monday, but there is no obligation. Mr. Smiley hopes that we can talk about part two, which is more solutions oriented at next month's meeting.

MEETING MINUTES

The minutes of the March 15, 2016 Economic Development Advisory Committee were submitted for review and approval and it was noted that there was a quorum present for a vote. Upon a motion made by Daniel Baudouin and seconded by Councilwoman Sabina Matos, it was voted to approve the minutes of the March 15, 2016 Economic Development Advisory Committee meeting. Motion passed by unanimous vote.

A motion to adjourn was then made by Daniel Baudouin and seconded by Councilwoman Sabina Matos and the meeting was adjourned at 1:23 P.M.