

REGULATORY REVIEW TASK FORCE MEETING MINUTES

Tuesday, June 2, 2009

8:30 AM

Department of Business Regulation, 1511 Pontiac Avenue, Building 69

Members Present: Michael Marques (Chair), Sue Stenhouse (Vice Chair), Tom Coffey (State Fire Board), Jack Leyden (State Building Code Commission), Jack Chartier (State Fire Marshal), Peter Spinella (Spinnaker Group/Commercial Real Estate), Sandra Powell (Dept. of Labor and Training), Tom Kogut (Public Utilities Commission), Mike Cassidy (City of Pawtucket/Planning), Scott Wolf (Grow Smart RI), Mark Carruolo (City of Warwick/Planning), Kevin Flynn (RI Division of Planning), David Sullivan (Division of Taxation), Michael Solomon (Treasury), Kelly Carello (Secretary of State), Steve Carlotti (Hinkley Allen Law/Partner), Greg Mancini (Build RI).

Members Not Present: Grover Fugate (Coastal Resources Management Council), Sally Strachan (Division of Motor Vehicles), Michael Sullivan (Dept of Environmental Management), Michael O'Connell (Resource Recovery), Jared Rhodes (Statewide Planning Program).

Others Present: Autumn Gould, Matt Bakios

Meeting was called to order at 8:30 a.m. by Michael Marques, chair.

Chairman Marques welcomed participants to the first meeting of the Regulatory Review Task Force. The plan for this committee is to meet four times, including an open public forum for comment, through the fall of 2009. A report will be compiled and presented to the Governor with two-tiered recommendations for streamlining the regulatory process: the first tier will detail those items that can be immediately implemented through Executive Order or policy change and the second tier will outline recommendations that will require enabling legislation, amendments or other long-term fixes. Practical implementation time is one of the most critical factors, as is consolidation or elimination of redundant functions. These objectives will form the foundation of the discussions.

Members were invited to discuss key concepts and propose targets for change. They were asked to submit refined ideas or areas of concern in writing to Sue Stenhouse prior to the next meeting.

Discussion by the members directed at consolidation of functions, streamlining or simplifying the process of licensing and permitting businesses in RI included the following issues and proposed solutions:

Issue: Community lack of expertise and State role is not well defined

Evidence: Differing rules and requirements between the roles of the cities and the state can be confusing and create legitimate concerns for businesses as well as the host community. The vast number of competing forces, the lack of uniformity in municipal zoning governance and the ambiguity that comes with the variety of interpretations of the ordinances has created a stalemate for productive business growth. The current exodus of long-term municipal permitting professionals due to retirement has created a void of institutional knowledge and expertise. Cities do not have the capacity to staff professionals for significant projects that may require traffic engineers, utility analysis, site evaluation professionals, legal counsel, etc.

Proposed Solutions: Develop a state office (located in Governor's office, similar to constituent services) or ombudsman (within EDC) to "mentor" and coordinate permitting applications for small business clients who are expanding or looking to relocate in RI. A threshold level needs to be determined if a project is proposed to have statewide benefit. For example, if a project subject to the Rehabilitation Code is \$500,000 or above, a mandatory meeting between all stakeholders must be scheduled.

Certification for professionals administering licenses at the local level

should be administered through the correlating state department or agency (i.e. Fire Inspector model), this will foster clout for the state. Consultant bank developed at the state to lend cities and towns professional expertise for major, complicated projects. This will help promote timely decisions. County administration of permitting VS municipal zoning, planning and conservancy boards suggests streamlined processes, while maintaining local nuances. The State of Florida's Department of Regional Impact was cited as model to research.

Issue: Communications

Evidence: Local governing Boards and committees are not uniform in their administration of permits. There is a lack of communication with the counterpart agencies in the state departments. Codes have built in leverage points and appeal processes that are subject to interpretation. State is often not engaged until there is a problem, resulting in costly delays and miscommunications.

Proposed Solutions: The state needs to build a business constituency through a better communications vehicle. It was proposed to create a one-stop resource for all information, requirements and contact information of the municipalities for interested entrepreneurs. EDC was the suggested entity for this service. Regular meetings need to be scheduled with local EDC and planning officials to help foster and relationships between the

governing bodies. A comprehensive real estate bank must be developed and available to the public. Project reviews should start at the state level and work its way down to the cities and towns. Clear timeline mandates for consideration and decisions (i.e.10 days)

Issue: Community Incentives

Evidence: Currently, there are no communications or advocates between the cities and towns, there are no incentives to work together, to aggressively pursue businesses, or for local governments to be notified of a development project. One municipality may relish a business opportunity, whereas another will have no interest or capacity.

Proposed Solution:

Towns would start competing for new business projects and would expedite permitting in an effort to garner fiscal incentives: Real estate deferred tax caps for portfolio incentives, TIF expertise through EDC, plan review fees (wherein 50% of the revenues generated by this process would stay in the host community), sales and income tax percentages stay in host community for 5 years, infrastructure amenities, Brownfield redevelopment process expedited and the

aforementioned consultants bank were suggested carrots.

The next meeting of the Regulatory Review Task Force will be on Tuesday, June 16, 2009 at 8:30 AM at Department of Business Regulation.

Meeting adjourned at 10:30 a.m.