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FOR IMMEDIATE RELEASE

July 20, 2021

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City enters 10-year treaty with ExxonMobil ending years of tax appeals

EAST PROVIDENCE, RI — A new tax treaty agreement provides a new start between the ExxonMobil Oil Corp. and the city of East Providence.

The treaty authorizes the city of East Providence to enter into an agreement, with respect to property located on Wampanoag Trail and owned by ExxonMobil Oil Corp., after years of appeals dating back to 2013 between the City and company.

“This treaty is long overdue and provides a best case scenario for all parties involved,” Mayor Bob DaSilva said. “We thank all parties for coming to the table to agree to this positive outcome and we look forward to our continued relationship with ExxonMobil.”

The treaty introduced in the House by Representatives Katherine Kazarian and Gregg Amore and in the Senate by Valarie Lawson, and signed by Gov. Dan McKee, includes an adjustment of assessments, tax credits, future sales and development of the property including:

- Reduce Assessment from \$39.43 million to \$29 million for a 10-year period beginning December 2020 and ending December 2029, with flexibility to increase assessment if warranted each revaluation cycle.
- Payment for the eight years over assessment will be taken as a credit on Exxon’s tax bills from 2020 to 2029 (\$200,000 per year, \$2 million total). The annual decrease in the assessed value is approximately \$260,000 in tax dollars. Combined, it is a decrease of approximately \$460,000 to the City annually.

- Exxon will actively market for sale 80 acres of land behind the current Citizen's Bank Operations Center and an additional 40.5 acres east of the Wampanoag Trail
- The City's tax revenue for Exxon decreases from \$997,748 to \$734,570, which will result in a \$260,000 decrease in the next year.

Without the treaty agreement, the City faced a potential loss of \$3.9 million of property taxes and interest on any overpayments of slightly over \$2 million for a potential loss of \$5.8 million.

"This settlement was in the best short- and long-term interest of the City given the length of time the case had been pending and represents a fair compromise between the city of East Providence and one of its largest taxpayers," East Providence Solicitor Michael Marcello said.

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