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Mayoral form of government drives bond rating upgrade - by Roberto DaSilva

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The city of East Providence received a credit rating upgrade from Moody's Investors Service to A1 in May 2020. This rating action is remarkable for two reasons. First it was achieved in the middle of widespread financial uncertainty as a result of the COVID-19 global pandemic. Secondly, this feat is notable since it represents an extraordinary turnaround in the city's financial position. Earlier in 2011, East Providence's bond rating was below investment grade level, (junk bond status) which drastically increased the city's borrowing costs. The improved rating is the culmination of a decade-long effort to enhance fiscal discipline which has increased the city's financial reserves.

A prime factor in Moody's rationale for this positive action is the significant pace of development activity in recent years. This growth in the industrial, commercial and residential sectors provides the city with increased revenues to support municipal services. Also the new development projects provide important employment opportunities for city residents while also supporting local businesses.

Specific projects that were cited by Moody's included the very successful Kettle Point mixed-used development. This site includes 228 new housing units as well the state-of-the-art 80,000 s/f University Orthopedics facility. The analysts also highlighted the Brown University Medicine complex, which contributes to an emerging healthcare presence in East Providence. The leading employment sectors of East Providence include healthcare, advanced manufacturing and financial services. Overall, the rating analysis characterizes the city's economy as growing and diverse.

An additional component to the city's turnaround is the new, strong-mayor form of government. In 2018, local residents elected its first mayor and Moody's noted that this has resulted in a stronger management structure. Specifically, with an elected CEO, East Providence is better able to formulate a strategic vision and align resources to achieve goals. As mayor, I look forward to ushering a new era of top-rate development to East Providence. During the upcoming months, we will be announcing the details of several significant projects which will continue to improve East Providence's economy and quality of life.

Roberto DaSilva is the mayor of East Providence, R.I.

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