

RESOLUTION OF THE CITY COUNCIL

No. 555

Approved October 10, 1991

WHEREAS, The Mayor, by letter dated March 7, 1991, and the City Council, by Resolution dated March 28, 1991, requested that the Providence Public Buildings Authority (the "Authority") use its best efforts to develop the Veazie Street School to make it suitable for use as an elementary school, and

WHEREAS, The Veazie Street School presently serves as security for the Authority's \$14,105,000 Revenue Refunding Bonds, 1990 Series B (the "1990 Series B Bonds") which refunded the Authority's \$13,000,000 General Revenue Bonds, Series 1988, a portion of the proceeds of which were used to make repairs and protective improvements to the Veazie Street School, and

WHEREAS, In order to release the Veazie Street School from the security for the 1990 Series B Bonds and permit the Authority to issue additional bonds to make it suitable for classroom space, the Authority must provide the 1990 Series B Bondholders with a substitute project to secure the 1990 Series B Bonds, and

WHEREAS, The Webster Avenue School has recently undergone renovations and would be an appropriate substitute project, and

WHEREAS, The Authority may develop its projects only upon the request of the Mayor and the City Council, and

WHEREAS, Such request must take the form of a proposal by the Mayor approved by the City Council and

WHEREAS, The Mayor has submitted the proposal attached hereto as Exhibit "A" for the City Council's approval,

NOW, THEREFORE BE IT RESOLVED:

1. That the City Council hereby approves the Proposal of the Mayor dated September 26, 1991 (the "Proposal") which, among other things, requests the Authority to use its best efforts to pursue the release of the Veazie Street School Project from the security for the 1990 Series B Bonds and substitute the Webster Avenue School as a Project securing the 1990 Series B Bonds,
2. That the President of the City Council be and he hereby is authorized to execute the Proposal and to deliver it to the Authority,
3. That the City Council hereby approves the transfer of the Webster Avenue School to the Authority,
4. That the Mayor be and he hereby is authorized to take any and all action and to execute, file and deliver any and all agreements, notes, deeds, leases and other documents as he, in his sole discretion, may deem necessary or desirable to implement the transaction contemplated by the Proposal.
5. That this Resolution shall take effect upon passage.

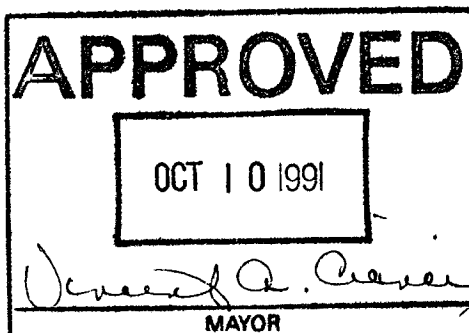
IN CITY COUNCIL

OCT 3 1991

READ AND PASSED

PRES.

CLERK





Executive Office, City of Providence, Rhode Island

VINCENT A. CIANCI, JR.

MAYOR

September 26, 1991

Providence Public Buildings Authority
c/o Department of Planning and Development
400 Westminister Street
Providence, Rhode Island 02903

RE: VEAZIE STREET SCHOOL PROJECT

Gentlemen and Ladies:

By letter dated March 7, 1991, I requested the Providence Public Buildings Authority (the "Authority") to use its best efforts to develop the Veazie Street School to make it suitable for use as an elementary school and the City Council, by Resolution Number 183, dated March 28, 1991 joined me in this request.

It appears that the Veazie Street School has previously been the subject of one of the Authority's financings. The Veazie Street School serves as security for the Authority's \$14,105,000 Revenue Bonds, 1990 Series B (the "1990 Series B Bonds") which refunded the Authority's \$13,000,000 General Revenue Bonds, Series 1988, a portion of the proceeds of which were used to make repairs and protective improvements to the Veazie Street School. In order to release the Veazie Street School from the Security for the 1990 Series B Bonds and permit the Authority to issue additional bonds to make it suitable for classroom space, the Authority must provide the 1990 Series B Bondholders with a substitute project to secure the 1990 Series B Bonds.

The Webster Avenue School has recently undergone renovations and would seem to be an appropriate substitute project.

Providence Public Buildings Authority
September 26, 1991
Page 2

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Authority use its best efforts to pursue the release of the Veazie Street School Project from the security for the 1990 Series B Bonds and substitute the Webster Avenue School, or such other property as the City Counsel or its Finance Committee shall deem appropriate, as a project securing the 1990 Series B Bonds (the "Webster Avenue School Project"). The Authority is further requested to obtain title to the real estate and improvements from and to cooperate with the City in maintaining and operating the Webster Avenue School Project and to lease the Webster Avenue School Project to the City for the benefit of the citizens of Providence.

This request is subject to the approving vote of the Providence City Council, and because the Webster Avenue School Project relates to public school property, the Providence School Board.

Please send copies of all official actions taken by the Authority in response to this request to the undersigned and to the Director of Administration at City Hall, 25 Dorrance Street, Providence, Rhode Island 02903.

Sincerely,



VINCENT A. CIANCI, JR.
Mayor, City of Providence

VAC:ca

cc: David Dillon, City Council
Artin Colian, Office of the Mayor
Frank Corrente, Director of Administration
Michael Clement, City Clerk
Robert Troiano, Prov. Public Bldg. Authority
Arthur Zarrella, Acting Superintendent of Schools
Jean McLevedge, Fleet National Bank

Please reply to: One Old Stone Square
Providence, Rhode Island 02903
Telephone 401 456-1200
Fax 401 456-1210
Telex 952166

TILLINGHAST COLLINS & GRAHAM

COUNSELORS AT LAW

303 Congress Street, 5th floor
Boston, Massachusetts 02210
Telephone 617 261-0555
Fax 617 261-9709

Courthouse Law Plaza
750 Southeast Third Avenue
Suite 100
Fort Lauderdale, Florida 33316
Telephone 305 467-5700
Fax 305 767-0109

VIA COURIER

September 27, 1991

Mr. Michael R. Clement
City Clerk
City of Providence
25 Dorrance Street
Providence, RI 02903

RE: Providence Public Buildings Authority Substitute
of Property for Veazie Street School

Dear Mr. Clement:

Previously Mr. Robert Troiano of the Providence Public Buildings Authority had delivered to you a Form of Resolution regarding the substitute of the Webster Avenue School for the Veazie Street School as security for the 1990 Series B Bonds of the Public Buildings Authority. Pursuant to discussions with Bond insurance companies, it has been necessary to revise that Resolution somewhat.

Enclosed is the proper Form of Resolution with such revisions. Please have this Resolution photocopied onto the appropriate paper and submit it to the Council for action on October 3, 1991.

Should you have any questions, please do not hesitate to call me.

Sincerely,


Penelope W. Register

PWR/dle
Enclosure
4968d

cc: The Honorable Vincent A. Cianci, Jr.
Mr. David G. Dillon, Providence City Council
Mr. Artin Coloian, Special Assistant to Mayor
Mr. Frank Corrente, Director of Administration
Mr. Robert Troiano, Prov. Public Bldgs. Auth.
Ms. Jean McLevedge, Fleet Nat'l Bank

[To be printed on Resolution Paper]

WHEREAS, the Mayor, by letter dated March 7, 1991 and the City Council, by Resolution dated March 28, 1991 requested that the Providence Public Buildings Authority (the "Authority") use its best faith efforts to develop the Veazie Street School to make it suitable for use as an elementary school; and

WHEREAS, the Veazie Street School presently serves as security for the Authority's \$14,105,000 Revenue Refunding Bonds, 1990 Series B (the "1990 Series B Bonds") which refunded the Authority's \$13,000,000 General Revenue Bonds, Series 1988, a portion of the proceeds of which were used to make repairs and protective improvements to the Veazie Street School; and

WHEREAS, in order to release the Veazie Street School from the security for the 1990 Series B Bonds and permit the Authority to issue additional bonds to make it suitable for classroom space, the Authority must provide the 1990 Series B Bondholders with a substitute project to secure the 1990 Series B Bonds; and

WHEREAS, the Webster Avenue School has recently undergone renovations and would be an appropriate substitute project; and

WHEREAS, the Authority may develop its projects only upon request of the Mayor and the City Council; and

WHEREAS, such request must take the form of a proposal by the Mayor approved by the City Council; and

WHEREAS, the Mayor has submitted the proposal attached hereto as Exhibit "A" for the City Council's approval,
NOW, THEREFORE, BE IT RESOLVED:

1. That the City Council hereby approves the Proposal of the Mayor dated September __, 1991 (the "Proposal") which, among other things, requests the Authority to use its best efforts to pursue the release of the Veazie Street School Project from the security for the 1990 Series B Bonds and substitute the Webster Avenue School, or such other property as the City Council or its Finance Committee shall deem appropriate, as a Project securing the 1990 Series B Bonds;

2. That the President of City Council be, and he hereby is, authorized to execute the Proposal and to deliver it to the Authority;

3. That the City Council hereby approves the transfer of the Webster Avenue School to the Authority;

4. That the Mayor be, and he hereby is authorized to take any and all action and to execute, file and deliver any and all agreements, notes, deeds, leases and other documents as he, in his sole discretion, may deem necessary or desirable to implement the transaction contemplated by the Proposal.

5. That this Resolution shall take effect on passage.

copy

Please reply to: One Old Stone Square
Providence, Rhode Island 02903
Telephone 401 456-1200
Fax 401 456-1210
Telex 952166

303 Congress Street, 5th floor
Boston, Massachusetts 02210
Telephone 617 261-0555
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Courthouse Law Plaza
750 Southeast Third Avenue
Suite 100
Fort Lauderdale, Florida 33316
Telephone 305 467-5700
Fax 305 767-0109

TILLINGHAST COLLINS & GRAHAM

COUNSELORS AT LAW

September 27, 1991

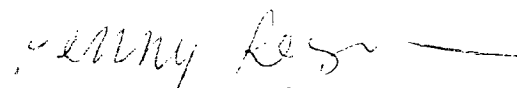
VIA COURIER

The Honorable Vincent A. Cianci, Jr.
Mayor of the City of Providence
Providence City Hall
25 Dorrance Street
Providence, RI 02903

Dear Mayor Cianci:

Enclosed is a revised draft of the Mayor's proposal letter to the Providence Public Buildings Authority. Previously, Mr. Troiano delivered a draft of this letter to you; however, in negotiations with the Bond insurance company, we have found it advisable to add the language which is underlined in red. Please have this letter typed onto your stationery so that it may be submitted with the Resolution at the next Council meeting on Thursday, October 3, 1991.

Sincerely,


Penelope W. Register

PWR/dle
Enclosure
4966d

cc: Mr. David G. Dillon, City Council
Artin Coloian, Special Assistant to Mayor
Frank Corrente, Director of Administration
Michael R. Clement, City Clerk
Mr. Robert Troiano, Prov. Public Bldgs. Auth.
Ms. Jean McLevedge, Fleet Nat'l Bank

September __, 1991

Providence Public Buildings Authority
c/o Department of Planning and Development
400 Westminster Street
Providence, Rhode Island 02903

Re: Veazie Street School Project

Gentlemen and Ladies:

By letter dated March 7, 1991, I requested the Providence Public Buildings Authority (the "Authority") to use its best efforts to develop the Veazie Street School to make it suitable for use as an elementary school and the City Council, by Resolution Number 183, dated March 28, 1991 joined me in this request.

It appears that the Veazie Street School has previously been the subject of one of the Authority's financings. The Veazie Street School serves as security for the Authority's \$14,105,000 Revenue Bonds, 1990 Series B (the "1990 Series B Bonds") which refunded the Authority's \$13,000,000 General Revenue Bonds, Series 1988, a portion of

the proceeds of which were used to make repairs and protective improvements to the Veazie Street School. In order to release the Veazie Street School from the security for the 1990 Series B Bonds and permit the Authority to issue additional bonds to make it suitable for classroom space, the Authority must provide the 1990 Series B Bondholders with a substitute project to secure the 1990 Series B Bonds.

The Webster Avenue School has recently undergone renovations and would seem to be an appropriate substitute project.

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Authority use its best efforts to pursue the release of the Veazie Street School Project from the security for the 1990 Series B Bonds and substitute the Webster Avenue School, or such other property as the City Counsel or its Finance Committee shall deem appropriate, as a project securing the 1990 Series B Bonds (the "Webster Avenue School Project"). The Authority is further requested to obtain title to the real estate and improvements from and to cooperate with the City in maintaining and operating the Webster Avenue School Project and to lease the Webster Avenue School Project to the City for the benefit of the citizens of Providence.

This request is subject to the approving vote of the Providence City Council, and because the Webster Avenue School Project relates to public school property, the Providence School Board.

Please send copies of all official actions taken by the Authority in response to this request to the undersigned and to the Director of Administration at City Hall, 25 Dorrance Street, Providence, Rhode Island 02903.

Sincerely,

Vincent A. Cianci, Jr.
Mayor, City of Providence

APPROVED BY THE CITY COUNCIL ON THE _____ DAY
OF _____, 1991.

City Council President

291Cu

September __, 1991

Providence Public Buildings Authority
c/o Department of Planning and Development
400 Westminster Street
Providence, Rhode Island 02903

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Sincerely,

Vincent A. Cianci, Jr.
Mayor, City of Providence

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OF _____, 1991.

City Council President

2910u

[To be printed on Resolution Paper]

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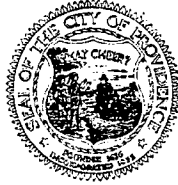
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5. That this Resolution shall take effect on passage.

JOSEPH DI BATTISTA
CHAIRMAN



VINCENT A. CIANCI, JR.
MAYOR

Providence Public Building Authority
"Building Pride in Providence"

September 23, 1991

The Honorable David Dillon
Finance Committee
City Council
City Hall
Providence, RI 02903

Dear Councilman Dillon:

On behalf of the Providence Public Buildings Authority, I am writing to request that the Finance Committee review this matter prior to the October 3, 1991 City Council meeting.

"VEAZIE SCHOOL FINANCING"

To approve the attached list of City properties for sending to Capital Guaranty Insurance Company.

BACKGROUND

In a letter to the City Council dated March 7, 1991, the Mayor requested approval of financing for the comprehensive renovation of the Veazie School in order to make it suitable for use as an elementary school. The City Council, by its Ordinance #183, approved the Mayor's request on March 28, 1991.

In order for us to proceed with the Veazie bond issue, the Veazie School must be released as collateral from the PBA's 1990 bond issue. Capital Guaranty Insurance Company, the insurer of the 1990 PBA bond issue, has indicated that it will release Veazie if the school can be replaced with some essential city building or buildings having a total value of \$4 or \$5 million. The following property has been recommended by Mr. Sepe as a substitute;

THE WEBSTER AVENUE SCHOOL

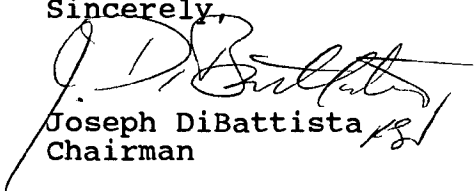
According to bond counsel, in order for the PBA to make a legal substitution of collateral under its enabling statutes, the substituted property must have the status of a "project" for purposes of the applicable bond resolution and the Consolidated Lease securing the 1990 Bonds. This will be accomplished by the Mayor's request and the City Council's approval as outlined in this letter.

The Honorable David Dillon
Page 2

In order to proceed with this financing in a timely manner, we are asking that the City Council approve this list by October 4.

Thank you for your consideration of this matter. If you have any questions, you may contact Mrs. Jean McLevedge at 278-5722, Fleet/Norstar Securities.

Sincerely,



Joseph DiBattista
Chairman

cc: Council President James Petrosinelli

Frank Corrente, Director
Dept. of Administration

Mr. Michael Van Leesten

SEP 25 9 10 AM '91
DEPT. OF CORRECTIONS
PROVIDENCE, R.I.

FILED

JOSEPH Di BATTISTA
CHAIRMAN



VINCENT A. CIANCI, JR.
MAYOR

Providence Public Building Authority

"Building Pride in Providence"

M E M O R A N D U M

TO: Mayor Vincent A. Cianci, Jr.
Frank Corrente
Councilman David Dillon
Council President James Petrosinelli

FROM: Joseph DiBattista *J. DiBattista*
Chairman, PPBA

DATE: September 23, 1991

RE: Substitution of Collateral to be put on the
October 3, 1991 City Council Agenda

Attached is a draft of a letter from the Mayor to the PBA and a draft City Council resolution substituting the Webster Avenue School as collateralization for the Veazie Street School encumbered in an earlier bond issue. The PBA needs your assistance to insure the substitution of the Webster Avenue School for the Veazie Street School.

It is essential this substitution occur in a timely manner for the following reasons:

1) We are currently funding construction at the Veazie Street School under a \$4.0 million line of credit which will come due on 10/28/91. This financing must be taken out with the anticipated \$12.0 million Veazie/modular classroom funding.

2) We are reliant upon the 100% cooperation of our contractors and subcontractors to complete this school on-time/on-budget. If the take out funding is delayed, we may have insufficient funds to pay contractors.

3) The sale of the bonds must take place prior to the Thanksgiving/New Year's period. If not, both the pricing and sale of our bonds is in question.

Capital Guaranty requires this property substitution prior to the release of the Veazie Street School for collateralization under the new issue. Bond counsel requires the substitution go back through City Council for approval. Your cooperation in insuring this occurs in a timely fashion is greatly appreciated.

Page 2

We are working with Councilman Dillon to have this matter reviewed by the Finance Committee prior to the October 3, 1991 Council meeting.

If there are any questions, please contact Mrs. Jean McLevedge at 278-5722, Fleet Norstar/Securities.

Attachment

cc: Alan Sepe
Paul Campbell
Michael Van Leesten