

THE CITY OF PROVIDENCE  
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

# RESOLUTION OF THE CITY COUNCIL

No. 137

Approved February 22, 1979

RESOLVED, That His Honor the Mayor of the City of Providence, is hereby authorized and directed to execute an acceptance on behalf of the City of Providence of an offer of compromise of all property taxes owed by the New York, New Haven & Hartford Railroad Co. for a payment in the amount of ~~\$1,084,532.05~~ <sup>\$1,446,042.74</sup> as set forth in the letter presented *R.M.M.* to the City Council and incorporated herein by reference; ~~that all property taxes owed by the New York, New Haven & Hartford Railroad Co. in excess of said amount are hereby~~ *R.M.M.* ~~abated;~~ and that the Mayor is authorized to take such other action and sign such other documents, receipts and releases as may be required to put such compromise and settlement in effect; in full settlement of all claims of the City of *R.M.M.* Providence concerning all property taxes owed by the New York, New Haven & Hartford Railroad Co. for the years 1960 through 1968, inclusive.

IN CITY COUNCIL

FEB 15 1979

READ AND PASSED *as amended*

*Ralph Tugwell* PRES.

*Rose M. Mendonca* CLERK

APPROVED

MAYOR

*Joanna C. Ciani, Jr.*

FEB 22 1979

THE COMMITTEE ON

FINANCE

Approves Passage of

The Within Resolution, as amended

Rose M. Mendonca  
Clerk  
February 12, 1979

IN CITY COUNCIL

OCT 5 1978

FIRST READING

REFERRED TO COMMITTEE ON

FINANCE

Rose M. Mendonca

THE COMMITTEE ON

FINANCE

Recommends Be Continued

Rose M. Mendonca  
Clerk

Nov. 20, 1978

Nov. 28, 1978

Jan 15, 1979

APPROVED

PRIOR

EEB 5 7 1979

THE COMMITTEE ON  
FINANCE

Approves Passage of

The Within Resolution as amended

Rose M. Mendonca  
Clerk  
February 12, 1979

Councilman Paulman and Councilman Bradshaw (By Request)

EDWIN H. HASTINGS  
BAYARD EWING  
ALFRED B. STAPLETON  
RICHARD F. STAPLES  
R. GORDON SCOTT  
EUSTACE T. PLIAKAS  
ANDREW A. DIPRETE  
RANDALL W. BLISS  
EDWARD J. REGAN  
JOACHIM A. WEISSFELD  
ROBERT J. MCGARRY  
JAMES A. JACKSON  
DEWITTE T. KERSH, JR.  
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LOUISE DUFFEE  
ROBERT M. SCHACHT  
ELIA GERMANI  
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ROBERT W. EDWARDS, JR.  
PETER V. LACOUTURE  
  
RICHARD A. SHERMAN  
MARGARET D. FARRELL  
MARK A. PFEIFFER  
BRADFORD A. PENNEY  
NORMAND G. BENOIT  
CHRISTOPHER H. LITTLE  
THOMAS M. LEAHEY  
STEVEN E. SNOW  
WILLIAM R. GRIMM  
CHESTER S. LABEDZ, JR.

## TILLINGHAST, COLLINS & GRAHAM

COUNSELORS AT LAW

2000 HOSPITAL TRUST TOWER

PROVIDENCE, RHODE ISLAND 02903

WILLIAM A. GRAHAM  
GEORGE C. DAVIS  
OWEN P. REID  
THOMAS R. WICKERSHAM  
WILLIAM M. SLOAN  
COUNSEL

TELEPHONE  
(401) 274-3800

June 20, 1978

Ronald H. Glantz, Esq.  
City Solicitor  
City Hall  
Providence, RI

Re: Settlement of Tax Claims Against  
the New York, New Haven & Hartford  
Railroad Company, Debtor in Reorgani-  
zation

Dear Mr. Glantz:

The purpose of this letter is to confirm in writing the conditional agreement we have reached for the settlement of all the claims for unpaid taxes of the City of Providence against the estate of the bankrupt New York, New Haven & Hartford Railroad Company.

We have agreed that the unpaid taxes after abatements for each of the years indicated are as follows:

1960	\$269,589.99
1961	361,253.67
1962	219,311.79
1963	219,308.02
1964	221,650.60
1965	215,801.20
1966	216,404.04
1967	216,968.08
1968	<u>228,776.91</u>

TOTAL \$2,169,064.10

The proposed settlement is at 50 percent for a total of \$1,084,532.05. It is understood that the trustee will recommend the proposed settlement, but it is nevertheless conditioned upon the following necessary approvals:

Ronald H. Glantz, Esq.  
June 20, 1978  
Page Two

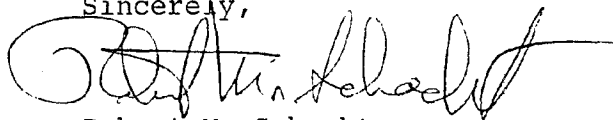
1. Approval by the United States of America through the Justice Department (the trusteeship of the New Haven borrowed money from the Federal Government on trustee certificates in order to meet operating expenses during the 1960's. The terms of that borrowing require Federal Government approval of a settlement such as this one);
2. Approval by the United States District Court having jurisdiction over the bankruptcy estate and the running of the appeal period.

The bankruptcy court has put the approval of the settlement down for hearing on Thursday, July 6 at 10:30 a.m. in the Federal District Court at New Haven. I will be there, and it would be advisable for you or one of your assistants to be there. Although I cannot guarantee what will happen, we are really very confident that the settlement will be approved.

We believe that it will take two or three months at the most to complete the settlement process including payment. We assume that the city will execute an appropriate release of its claim in return for the payment.

If this letter accurately reflects your understanding of the agreement we have reached, please so indicate on the enclosed copy of this letter in the place provided and return it to me.

Sincerely,



Robert M. Schacht  
Attorney for Richard Joyce Smith,  
Trustee of the property of the  
New York, New Haven & Hartford  
Railroad Company

RMS:gef

cc: Mayor Vincent J. Cianci  
Ronald Tarro, City Collector

274-3500

RONALD L. TARRO  
CITY COLLECTOR



VINCENT A. CIANCI, JR.  
MAYOR

**THE CITY COLLECTOR**  
CITY HALL, PROVIDENCE, RHODE ISLAND 02903

September 21, 1978

The Honorable Members of the City Council  
Council Chambers  
City Hall  
Providence, Rhode Island

Dear Council Members:

The importance of this resolution to be presented as an emergency should be acted upon for the following reason.

The Federal Judge presiding on the reorganization proceedings of the New York, New Haven and Hartford Railroad has set aside funds to pay over to the City of Providence an amount in excess of one million dollars. This money is being held by the court in a non-barring interest account. The judge wishes that this could be presented so that it will be resolved before the Honorable City Council at a meeting to be held Thursday, September 21, 1978. It is in the best interest of the City that this money now being held by the Federal Court be turned over to the City so it may be invested and the interest credited.

Respectfully submitted,

A handwritten signature in cursive script, reading "Ronald L. Tarro".

Ronald L. Tarro  
City Collector

RLT/dl

TILLINGHAST, COLLINS & GRAHAM

COUNSELORS AT LAW

2000 HOSPITAL TRUST TOWER

PROVIDENCE, RHODE ISLAND 02903

(401) 274-3800

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JAMES H. HAHN  
CONSTANCE A. HOWES

WILLIAM A. GRAHAM  
GEORGE C. DAVIS  
OWEN P. REID  
THOMAS R. WICKERSHAM  
WILLIAM M. SLOAN  
COUNSEL

November 16, 1978

Rose M. Mendonca  
City Clerk  
City Hall  
Providence, RI

Re: New Haven Railroad Taxes

Dear Mrs. Mendonca:

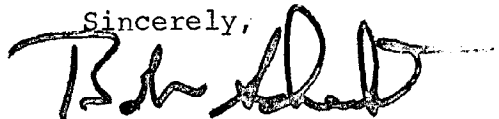
You have asked me to outline for you the options available to the City of Providence in connection with settlement of New Haven Railroad Taxes. For all practical purposes there are only two options:

1. To accept the proposed settlement in the same manner as most of the other Rhode Island communities and receive 50 percent of the outstanding amount in cash forthwith, or

2. To wait and see what you get under the plan of reorganization. Under the plan as proposed, you would receive the same 50 percent cash payment at the time of the eventual consummation of the plan. The latest estimates are that the plan will not be consummated before the end of 1979. You would receive in addition notes payable over several years for the balance on which payments might or might not be made. Payments on the notes would depend upon the Penn Central bankruptcy estate making money and making distributions in turn to the New Haven estate so that there would be money available to pay on the notes. No one can be sure what will happen.

I would strongly suggest that the Committee give this matter its attention immediately since the time during which you can elect the course to follow is running out. I would be happy to appear before the Committee to answer whatever questions it may have to the best of my ability.

Sincerely,



Robert M. Schacht

RMS/lk

CITY SOLICITOR  
RONALD H. GLANTZ



MAYOR  
VINCENT A. CIANCI, JR.

LAW DEPARTMENT

November 27, 1978

Carolyn Brassil, Chairperson  
Finance Committee  
City Hall  
Prov., RI 02903

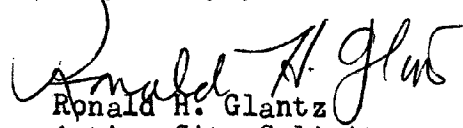
Re: New York, New Haven & Hartford Railroad

Dear Mrs. Brassil:

Please be advised that the Law Department has checked the files and also to verify whether or not a claim has been properly filed with the above-noted debtor. After conferences with Mr. Schacht, counsel for the railroad, and after a review of our file, to the best of our knowledge the claim against the New York, New Haven & Hartford Railroad has been properly filed.

Enclosed please find a copy of a letter we forwarded to the trustee for the bankrupt railroad. Please be advised that the claim previously had been filed with the bankruptcy court in cause of action No. 30226.

Very truly yours,

  
Ronald H. Glantz  
Acting City Solicitor

/abt

CITY SOLICITOR  
RONALD H. GLANTZ



MAYOR  
VINCENT A. CIANCI, JR.

LAW DEPARTMENT

November 21, 1978

Richard Joyce Smith, Trustee  
for the Property of New York, New Haven  
& Hartford Railroad Co.  
54 Meadow Street  
New Haven, Conn. 06506

Dear Mr. Smith:

Please be advised by this letter that the City of Providence hereby makes claim against the Trustee for the Property of New York, New Haven & Hartford Railroad Co. in the aggregate amount of claims owed the City of Providence of \$2,169,064.10, which claim represents property taxes owed by the New York, New Haven & Hartford Railroad Co. This claim has been filed with the U. S. District Court for the District of Connecticut in a cause of action numbered 30226.

Also please be advised that security held by the City of Providence which said above-noted debt is its tax lien under the laws of the State of Rhode Island.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Ronald L. Tarro".

Ronald Tarro  
Tax Collector  
City of Providence

/abt

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

Subscribed and sworn to before me this 21<sup>st</sup> day of  
NOVEMBER, 1978, A.D.

A handwritten signature in cursive script, appearing to read "Joseph A. Bello".

Notary

Notary Public

My Commission Expires June 30, 1980