

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 427

Approved JULY 31, 2007

WHEREAS, The Providence Public Buildings Authority (the "Authority") was constituted as a body corporate and politic of the City of Providence (the "City") pursuant to the provisions of Chapter 50 of title 45 of the General Laws of Rhode Island (the "Act") and a resolution duly passed by this City Council on August 13, 1987; and

WHEREAS, the Authority's creation was approved by the Public Finance Management Board on February 12, 1988; and

WHEREAS, the Authority may now duly transact its business of acquiring and constructing public facilities, acquiring public equipment; maintaining, renovating, repairing and operating the same; and issuing its revenue bonds and/or notes to finance the public facilities and public equipment that constitute projects under the Act; 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 general laws relating to school housing aid from the State of Rhode Island have been amended to allow the inclusion of interest as a "school housing project cost" only if the bonds or other financing for such projects are issued through the Rhode Island Health and Educational Building Corporation ("RIHEBC"); and

WHEREAS, existing financing arrangements with the Authority relating to school projects may require that the Authority participate with RIHEBC in the financing of school projects for the City; 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 July 23, 2007 attached hereto (the "Proposal") which, among other things, requests the Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) to use best efforts to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within a period consisting of the second half of 2007 through the first half of 2008.

2. That the Phase I Projects referenced in paragraph 1 above shall consist collectively of the following within the City: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007

IN CITY COUNCIL
JUL 18 2007
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE
John M. Stettin CLERK

THE COMMITTEE ON
FINANCE
Approves Passage of
The Within Resolution

John M. Stettin
1-23-07 Clerk

Council President Mancini, Councilmen Hensell + Igliozzi + Wood

Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase I Projects, and, in connection with the Phase I Projects, there shall be financed certain costs of issuance, capitalized interest, the funding of a debt service reserve fund or obtaining a surety bond with respect thereto and other necessary or incidental expenses, and to effect such financing as approved by the City Council as aforesaid there shall be issued bonds, notes, and/or other evidences of indebtedness (the "Phase I Obligations") in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase I Projects.

3. That the Phase II Projects referenced in paragraph 1 above shall consist collectively of the following within the City: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects, and, in connection with the Phase II Projects, there shall be financed certain costs of issuance, capitalized interest, the funding of a debt service reserve fund or obtaining a surety bond with respect thereto and other necessary or incidental expenses, and to effect such financing as approved by the City Council as aforesaid, there shall be issued bonds, notes and/or other evidence of indebtedness (the "Phase II Obligations") in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase II Projects.

4. That the City Council hereby authorizes the Mayor to negotiate and lease the Phase I Projects and the Phase II Projects, as the case may be, from the Authority and/or RIHEBC (in conjunction with the Authority) and to transfer or lease the Phase I Projects and the Phase II Projects and such additional property to the Authority and/or RIHEBC (in conjunction with the Authority) as shall be necessary to secure the Phase I Obligations or the Phase II Obligations, as the case may be.

5. That the Mayor, the Director of Finance and the City Treasurer be, and they hereby are, authorized to take any and all action and to execute, file and deliver any and all agreements, notes, deeds, leases and other documents, and amendments thereto, as they, in their sole discretion, may deem necessary or desirable to implement the transactions contemplated by the Proposal.

6. That the City's Department of Public Property shall submit all estimates, bids, etc. regarding such construction, renovation, rehabilitation, improvement, furnishing, and equipping of the Phase I Projects and the Phase II Projects to the Committee on Finance of the City Council as such estimates become available.


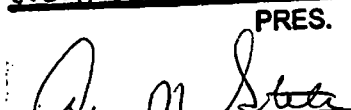
7. The City's Director of Finance is authorized to execute and deliver continuing disclosure certificates in connection with the Phase I Obligations and the Phase II Obligations, as the case may be, issued by the Authority and/or RIHEBC (in conjunction with a financing in which the Authority participates), in such form as shall be deemed advisable by the City's Director of Finance. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of each continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Phase I Obligations and the Phase H Obligations, as the case may be, failure of the City to comply with any continuing disclosure certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking

mandamus or specific performance by court order, to cause the City to comply with its obligations under this Resolution and under any continuing disclosure certificate.

8. This Resolution is an affirmative action of the City Council towards the issuance of the Authority's and/or RIHEBC's Phase I Obligations and the Phase II Obligations, as the case may be, as aforesaid, in accordance with the purposes of the laws of the State. This Resolution constitutes the City's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse its General Fund in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) for certain capital expenditures for the Phase I Projects and in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) for certain capital expenditures for the Phase II Projects paid on or after the date which is sixty (60) days prior to the date of this Resolution but prior to the issuance of the Authority's and/or RIHEBC's Obligations, or otherwise as permitted by such regulation. Amounts to be reimbursed shall be reimbursed not later than eighteen months after the later of (a) the date on which the expenditure is paid or (b) the date the Phase I Projects and the Phase II Projects, as the case may be, are placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

9. With respect to the Phase I Projects and the Phase II Projects authorized herein, to the extent that the construction of such project requires any amendment of the zoning ordinance or zoning map of the City, the City Council hereby initiates the same and directs that the City Planning Commission at its earliest opportunity provide it with its findings and recommendations as provided for in Rhode Island General Laws Section 45-24-52, as amended, and that the City Clerk schedule a public hearing of the City Council with all reasonable dispatch, giving proper notice as prescribed in Rhode Island General Laws Section 45-24-53, for this City Council to act on the proposed amendment.

10. This Resolution shall take effect on passage.

IN CITY COUNCIL
JUL 27 2007
READ AND PASSED

PRES.

CLERK

APPROVED

7/31/07
MAYOR

Exhibit "A"



Executive Office, City of Providence, Rhode Island

DAVID N. CICILLINE
MAYOR

July 23, 2007

Mr. Lloyd Granoff
Chairman
Providence Public Buildings Authority
400 Westminster Street
Providence, Rhode Island 02903

Dear Lloyd:

Section 45-50-10 of the General Laws of Rhode Island authorizes any authority created pursuant to the Municipal Public Buildings Authorities Law to acquire and construct public facilities and to acquire public equipment that constitute projects under said law; to maintain, renovate, repair and operate the same; and to issue revenue bonds to finance the same.

Chapter 16-7 of the General Laws of Rhode Island provides for state grants to reimburse a portion of a municipality's cost of providing school housing. Section 16-7-44 was recently amended so that interest costs on financing for school housing is eligible to be taken into account as a cost of school housing only if the financing is accomplished through the Rhode Island Health and Educational Building Corporation ("RIHEBC"). Existing financing arrangements with Providence Public Buildings Authority (the "Authority") relating to school projects may require that the Authority participate with RIHEBC in the financing of school projects for the City of Providence (the "City").

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Providence City Council join me in requesting the Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) to use its best efforts to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within the period consisting of the second half of 2007 through the first half of 2008.

The Phase I Projects shall consist collectively of the following within the City: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the

reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase I Projects. The financing for the Phase I Projects shall consist of bonds, notes and/or other evidence of indebtedness to be issued in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) (the "Phase I Obligations") to provide funding for the Phase I Projects.

The Authority and/or RIHEBC (in conjunction with the Authority) are further requested to obtain title to the real estate and improvements constituting the Phase I Projects or such additional property as shall be necessary to secure the Phase I Obligations and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Phase I Projects and to lease the Phase I Projects to the City for the benefit of the citizens of Providence.

The Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) is requested to issue Phase I Obligations in the amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase I Projects, to capitalize interest, if permitted, to pay the costs of issuance of the Phase I Obligations, to fund a debt service reserve fund or obtain a surety obligation with respect thereto and to fund such other expenses as may be necessary or incidental to the completion of the Phase I Projects.

The Phase II Projects shall consist collectively of the following within the City: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other

Mr. Lloyd Granoff
July 23, 2007
Page 3

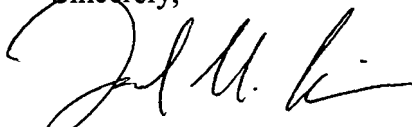
studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects. The financing for the Phase II Projects shall consist of bonds, notes and/or other evidence of indebtedness to be issued in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) (the "Phase II Obligations") to provide funding for the Phase II Projects.

The Authority and/or RIHEBC (in conjunction with the Authority) are further requested to obtain title to the real estate and improvements constituting the Phase II Projects or such additional property as shall be necessary to secure the Phase II Obligations and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Phase II Projects and to lease the Phase II Projects to the City for the benefit of the citizens of Providence.

The Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) is requested to issue Phase II Obligations in the amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase II Projects, to capitalize interest, if permitted, to pay the costs of issuance of the Phase II Obligations, to fund a debt service reserve fund or obtain a surety obligation with respect thereto and to fund such other expenses as may be necessary or incidental to the completion of the Phase II Projects.

This request made hereby with respect to the Plan of Finance is subject to the approving vote of the Providence City Council.

Sincerely,

A handwritten signature in black ink, appearing to read "D. N. Cicilline", written over a horizontal line.

DAVID N. CICILLINE
Mayor of Providence

FISCAL NOTE

NET DEBT SERVICE INCLUDING 2 NEW SCHOOL BOND ISSUES

7/18/2007

Debt Service of future PPBA Bond Issues Net of State
Reimbursement @ 80.24%

	Existing Debt Service Net of State Reimbursement ¹	Existing Debt Service Net of State Reimbursement Post Refunding ¹	Proposed SEPT. New Money Net of State Reimbursement ²	Proposed DEC. New Money Net of State Reimbursement ²	Aggregate Debt Service of Future New Money Bond Issuance Net of State Reimbursement	Resulting Debt Service
		a	b	c	(b+c)=d	(a+d)=e
FY						
2007	--	--			---	---
2008	25,587,772	25,143,693	---	---	---	25,143,693
2009	28,614,152	28,170,072	---	---	---	28,170,072
2010	28,346,679	27,902,600	1,095,884	1,095,884	2,191,769	30,094,369
2011	28,055,669	27,611,589	1,194,314	1,194,314	2,388,628	30,000,217
2012	23,481,218	23,037,139	1,194,354	1,194,354	2,388,707	25,425,846
2013	19,745,592	19,301,512	1,193,524	1,193,524	2,387,048	21,688,559
2014	18,067,491	17,129,262	1,193,761	1,193,761	2,387,522	19,516,784
2015	18,069,181	16,985,778	1,194,018	1,194,018	2,388,036	19,373,814
2016	17,945,239	16,380,117	1,194,255	1,194,255	2,388,510	18,768,627
2017	17,249,994	15,685,329	1,193,464	1,193,464	2,386,929	18,072,258
2018	16,902,763	15,336,687	1,193,924	1,193,924	2,387,848	17,724,535
2019	16,898,689	15,334,275	1,194,245	1,194,245	2,388,490	17,722,765
2020	15,868,361	14,709,740	1,193,702	1,193,702	2,387,403	17,097,143
2021	10,843,083	10,311,470	1,194,171	1,194,171	2,388,342	12,699,812
2022	10,525,213	10,307,715	1,193,578	1,193,578	2,387,156	12,694,872
2023	10,301,897	10,301,897	1,193,800	1,193,800	2,387,601	12,689,498
2024	10,303,313	10,303,313	1,193,726	1,193,726	2,387,453	12,690,765
2025	9,413,226	9,413,226	1,194,220	1,194,220	2,388,441	11,801,666
2026	38,684,393	38,684,393	1,194,171	1,194,171	2,388,342	41,072,735
2027	7,146,740	7,146,740	1,193,479	1,193,479	2,386,959	9,533,698
2028	7,148,132	7,148,132	1,193,973	1,193,973	2,387,947	9,536,078
2029	6,035,900	6,035,900	---	---	---	6,035,900
2030	1,835,000	1,835,000	---	---	---	1,835,000
2031	1,835,000	1,835,000	---	---	---	1,835,000
2032	1,835,000	1,835,000	---	---	---	1,835,000
2033	1,835,000	1,835,000	---	---	---	1,835,000
2034	1,835,000	1,835,000	---	---	---	1,835,000
2035	1,835,000	1,835,000	---	---	---	1,835,000
2036	1,835,000	1,835,000	---	---	---	1,835,000
2037	1,835,000	1,835,000	---	---	---	1,835,000
2038	--	--	---	---	---	---
2039	--	--	---	---	---	---
2040	--	--	---	---	---	---
2041	--	--	---	---	---	---
2042	--	--	---	---	---	---
2043	--	--	---	---	---	---
	399,914,696	387,060,576	22,586,564	22,586,564	45,173,128	432,233,704

1.) Combines outstanding debt service of the PPBA, GO, and the Providence Red. Authority

2.) Assumes capitalized interest accrued through 6/30/2009

* Market Rates as of 7/18/2007

PSB BOARD BRIEFS**June 25, 2007**

PSB Board Briefs is issued by the Providence School Board and are designed to inform staff members and constituents on discussions and actions taken by the Board at its most recent meeting. PSB Board Briefs is not intended to represent minutes.

POLICY & PLANNING

Nathan Bishop Middle School Project: Architect Involution, Inc consultants summarized the conceptual and schematic design process running from March 2007 through June 2007. The architects solicited community input on new building and building renovations options on four occasions: March 21st, April 11th, April 24th, and June 20th. The final recommendation for Nathan Bishop Middle School is to renovate the building with 131,700 square feet program space.

Facilities & Communications Policy 1st Reading: The policy describes a community engagement process to insure that the public plays a central role in guiding the implementation of the facility plan. This policy complements the Educational Facilities Goals and Priorities policy previously reviewed. Both policies will be scheduled for a 2nd reading and Board adoption.

Energy Policy 1st Reading: This policy authorizes enforcement of conservation measures initiated by PSD energy managers to save resources that will result in significant cost savings to the PSD utility budget lines. The policy will be scheduled for a second reading.

High School Graduation Requirements Policy Waiver: The district requests a waiver from the 24 credit requirement described in Board policy for the 2007-2008 academic year. However, all high school students will be required to meet the state mandated 20 credits for high school graduation. In part, this one year waiver request is due to concerns with a high percentage of students not expected to meet PSD graduation requirements and inconsistent systems and processes. In part, these issues emerged as a result of inconsistent leadership in PSD district high school office. A detailed analysis of the issues is in progress that will inform a comprehensive work plan to ensure that students receive the needed supports to succeed. Implementation of the PSD policy high school graduation requirements will become effective for the graduating class of 2009.

OFFICIAL SCHOOL BOARD ACTIONS

- ✓ Approved two contracts:
 - American Academy for Liberal Education: \$10,000 American History Grant
 - STEPS Professional Development & Consulting: \$38,400 First Steps in Math Professional Development Grant
- ✓ Approved two personnel appointments
 - Acting High School Supervisor Brian Baldizar: Salary \$86,293 effective June 26, 2007
 - Reading First Supervisor Paula Shannon: \$95,119 effective June 26, 2007
- ✓ Approved High School Policy Waiver for 2007-2008 school year
- ✓ Approved the 2007 School Projects Plan of Finance and school site selections for Hanley Vocational Project, Free Standing Physical Education Facility Project, and Nathan Bishop Middle School Project

ON THE CALENDAR

Jul 21st	School Board Retreat	8:00 AM School Board Room	Board Self-Evaluation & Goals Review
Aug 17th	School Board Retreat	TBA	District Performance Management Plan &
Aug 18th	School Board Retreat	TBA	Realizing the Dream Annual Review

Resolution Adopted
June 27, 2007
Dr. Donnie W. Evans

THE CITY OF PROVIDENCE

SCHOOL BOARD

NO. _____

**RESOLUTION AUTHORIZING AND APPROVING THE
PLAN OF FINANCE CONSISTING OF THE
PHASE I PROJECTS AND THE PHASE II PROJECTS AND THE
SUBLEASE OR SUBLEASES RELATING TO SUCH PROJECTS**

PRESENTED by Superintendent Evans

WHEREAS, The Mayor, by proposal letter dated June ___, 2007 has requested the Providence Public Buildings Authority (the "Authority") (acting either independently or in conjunction with a financing of the Rhode Island Health and Educational Building Corporation ("RIHEBC") in which the Authority participates) to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within a period consisting of the second half of 2007 through the first half of 2008; and

WHEREAS, the Phase I Projects shall consist collectively of the following within the City of Providence: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and undertake any other acts necessary or incidental thereto, all as and for the Phase I Projects; and

WHEREAS, the Phase II Projects shall consist collectively of the following within the City of Providence: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction,

renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects; and

WHEREAS, Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment) requires School Committee approval of any project relating to the management and control of public school property, including, but not limited to, the initiation of a public school project and school site selection; and

WHEREAS, in order to execute the financing of the Phase I Projects and the Phase II Projects, as the case may be, the City of Providence (the "Lessee") must enter into a Lease Agreement or Lease Agreements with the Providence Public Buildings Authority (the "Lessor"); and

WHEREAS, in order to execute the financing of the Phase I Projects and the Phase II Projects, as the case may be, the City of Providence School Board (the "School Board" or the "Sublessee") must enter into a Sublease Agreement or Agreements (the "Sublease" or "Subleases") with the City of Providence, as sublessor (the "Sublessor"); and

WHEREAS, it is proposed that the Hanley Vocational Project be located at _____ (Plat ____, Lot ____) in the City, and that the Free Standing Physical Education Facility Project be attached to the Hanley Vocational School Gymnasium located at 71 Fricker Street (Plat 29, Lot 509) in the City;

WHEREAS, it is proposed that the Nathan Bishop Middle School Project be located at _____ (Plat ____, Lot ____) in the City; and

WHEREAS, the site of the Career Technology Education Center Project within the boundaries of the City of Providence has not yet been proposed for determination;

NOW THEREFORE, BE IT RESOLVED, that the School Board hereby approves the Phase I Projects and the Phase II Projects as described in the Mayor's proposal letter and authorizes the execution and delivery by the Chairman or the Vice Chairman of the School Board and by the School Superintendent of a Sublease or Subleases, in such form and with such terms

and provisions as said officers shall approve, and further authorizes the Chairman or Vice Chairman and the School Superintendent to take any and all actions and to execute, file and deliver any and all documents necessary or incidental to the financing of the Phase I Projects and the Phase II Projects; and

FURTHER RESOLVED, that in accordance with Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment), the School Board hereby approves the school site selections described above for the Hanley Vocational Project and the Free Standing Physical Education Facility Project; and

FURTHER RESOLVED, that in accordance with Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment), the School Board hereby approves the school site selection described above for the Nathan Bishop Middle School Project and defers for further action its approval of the school site selection for the Career Technology Education Center Project upon such time as the site therefor has been proposed for determination.

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SCHOOL FACILITIES

JULY 23, 2007

SCHOOL FACILITIES

JULY 23, 2007

RESOLUTION: CITY COUNCIL

LETTER: PROVIDENCE PUBLIC
BUILDING AUTHORITY

RESOLUTION: SCHOOL COMMITTEE

EXPLANATION: BOND COUNSEL

FISCAL NOTE: FINANCIAL ADVISOR

DEBT SERVICE: FINANCE DEPARTMENT

WORK PROGRAM: PUBLIC PROPERTY

**THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS**

RESOLUTION OF THE CITY COUNCIL

No. ____

Approved June __, 2007

WHEREAS, The Providence Public Buildings Authority (the "Authority") was constituted as a body corporate and politic of the City of Providence (the "City") pursuant to the provisions of Chapter 50 of title 45 of the General Laws of Rhode Island (the "Act") and a resolution duly passed by this City Council on August 13, 1987; and

WHEREAS, The Authority's creation was approved by the Public Finance Management Board on February 12, 1988; and

WHEREAS, The Authority may now duly transact its business of acquiring and constructing public facilities, acquiring public equipment; maintaining, renovating, repairing and operating the same; and issuing its revenue bonds and/or notes to finance the public facilities and public equipment that constitute projects under the Act; 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 general laws relating to school housing aid from the State of Rhode Island have been amended to allow the inclusion of interest as a "school housing project cost" only if the bonds or other financing for such projects are issued through the Rhode Island Health and Educational Building Corporation ("RIHEBC"); and

WHEREAS, existing financing arrangements with the Authority relating to school projects may require that the Authority participate with RIHEBC in the financing of school projects for the City; 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 June __, 2007 attached hereto (the "Proposal") which, among other things, requests the Authority (acting

either independently or in conjunction with a RIHEBC financing in which the Authority participates) to use best efforts to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within a period consisting of the second half of 2007 through the first half of 2008.

2. That the Phase I Projects referenced in paragraph 1 above shall consist collectively of the following within the City: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase I Projects, and, in connection with the Phase I Projects, there shall be financed certain costs of issuance, capitalized interest, the funding of a debt service reserve fund or obtaining a surety bond with respect thereto and other necessary or incidental expenses, and to effect such financing as approved by the City Council as aforesaid there shall be issued bonds, notes, and/or other evidences of indebtedness (the "Phase I Obligations") in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase I Projects.

3. That the Phase II Projects referenced in paragraph 1 above shall consist collectively of the following within the City: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the

foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects, and, in connection with the Phase II Projects, there shall be financed certain costs of issuance, capitalized interest, the funding of a debt service reserve fund or obtaining a surety bond with respect thereto and other necessary or incidental expenses, and to effect such financing as approved by the City Council as aforesaid, there shall be issued bonds, notes and/or other evidence of indebtedness (the "Phase II Obligations") in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase II Projects.

4. That the City Council hereby authorizes the Mayor to negotiate and lease the Phase I Projects and the Phase II Projects, as the case may be, from the Authority and/or RIHEBC (in conjunction with the Authority) and to transfer or lease the Phase I Projects and the Phase II Projects and such additional property to the Authority and/or RIHEBC (in conjunction with the Authority) as shall be necessary to secure the Phase I Obligations or the Phase II Obligations, as the case may be.

5. That the Mayor, the Director of Finance and the City Treasurer be, and they hereby are, authorized to take any and all action and to execute, file and deliver any and all agreements, notes, deeds, leases and other documents, and amendments thereto, as they, in their sole discretion, may deem necessary or desirable to implement the transactions contemplated by the Proposal.

6. That the City's Department of Public Property shall submit all estimates, bids, etc. regarding such construction, renovation, rehabilitation, improvement, furnishing, and equipping of the Phase I Projects and the Phase II Projects to the Committee on Finance of the City Council as such estimates become available.

7. The City's Director of Finance is authorized to execute and deliver continuing disclosure certificates in connection with the Phase I Obligations and the Phase II Obligations, as the case may be, issued by the Authority and/or RIHEBC (in conjunction with a financing in which the Authority participates), in such form as shall be deemed advisable by the City's Director of Finance. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of each continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Phase I Obligations and the Phase II Obligations, as the case may be, failure of the City to comply with any continuing disclosure certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the City to comply with its obligations under this Resolution and under any continuing disclosure certificate.

8. This Resolution is an affirmative action of the City Council towards the issuance of the Authority's and/or RIHEBC's Phase I Obligations and the Phase II Obligations, as the case may be, as aforesaid, in accordance with the purposes of the laws of the State. This Resolution

and provisions as said officers shall approve, and further authorizes the Chairman or Vice Chairman and the School Superintendent to take any and all actions and to execute, file and deliver any and all documents necessary or incidental to the financing of the Phase I Projects and the Phase II Projects; and

FURTHER RESOLVED, that in accordance with Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment), the School Board hereby approves the school site selections described above for the Hanley Vocational Project and the Free Standing Physical Education Facility Project; and

FURTHER RESOLVED, that in accordance with Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment), the School Board hereby approves the school site selection described above for the Nathan Bishop Middle School Project and defers for further action its approval of the school site selection for the Career Technology Education Center Project upon such time as the site therefor has been proposed for determination.

City of Providence Process for Issuance of Tax-Exempt Revenue Bonds for School Construction

This describes the steps required in order for the City of Providence to obtain tax-exempt bond financing for school construction using the Providence Public Buildings Authority the ("PPBA")

The City/PPBA Process

Pursuant to the PPBA's enabling legislation the ("PBA Act"), the Mayor must submit a Proposal Letter, approved by the City Council, requesting that the PPBA issue bonds. In addition, the PBA Act requires that the School committee approve the Projects and specifically approve school project site selection. The Proposal Letter is transmitted to the council. If the City Council approves the Proposal Letter, the Proposal Letter and Council Resolution are transmitted to the PPBA for consideration. The Resolutions authorize the City to transfer title to the projects being financed to the PPBA, the leaseback of the projects to the City, and the issuance of PPBA bonds secured by the lease and payable from rental payments.

The RIHEBC Process

RIHEBC is a quasi-public corporation of the State created for the purpose of financing health and educational facilities. In response to the general assembly's legislative mandate, RIHEBC has set up two financing programs, a pooled program for communities and school districts other than Providence and a separate pool for Providence only.

After the City, School Committee and PPBA resolutions are in place, the City and PPBA must file an application for bond financing with RIHEBC. Upon accepting the application, RIHEBC appoints bond counsel and a financial advisor for the bond issue. The financial advisor undertakes a credit review. Assuming that the credit review is favorable, the RIHEBC board gives preliminary approval to the financing, selects an underwriter or underwriting group and directs bond counsel to draft documents. At the following month's RIHEBC board meeting the transaction has been fully structured and the RIHEBC board passes an authorizing resolution. Occasionally, RIHEBC will grant preliminary and final approval at one meeting.

After final approval, the working group circulates a disclosure document for investors, similar to a corporate prospectus, with which to market its Bonds called an "Official Statement". After the bond documents and Official Statement have been drafted, they are sent to credit rating agencies and bond insurers for review. Generally, the rating agencies and bond insurers have questions and comments, and bond counsel and the financial advisor address the legal and financial issues presented by such questions or comments.

A Preliminary Official Statement is mailed, and the Bonds are priced pursuant to a Bond Purchase Agreement with the underwriter. After the Bond pricing is set, Bond Counsel drafts and coordinates execution of the Bonds themselves and various closing documents and opinions, and works on the Final Official Statement. Bond Counsel supervises the Bond closing, making sure that documents and funds are delivered to the appropriate parties. The basic structure is that the PPBA issues a bond to RIHEBC. The PPBA bond is secured by a lease with the City, as lessee, of the projects being financed. RIHEBC issues a publicly offered bond, which, in turn, is secured by the PPBA bond.

Interest on RIHEBC's bonds is payable semiannually in May and November and principal is payable once per year in May. State aid is disbursed twice per year in equal installments in April and October. The City is required to make gross debt service payments to the PPBA, which the PPBA passes through to RIHEBC. State aid payments are paid directly to RIHEBC. RIHEBC retains the excess state aid paid in October in an interest bearing account, with interest accruing to the benefit of the City. After the April debt service payment of principal and semiannual interest, RIHEBC remits the excess to the City. RIHEBC holds the construction funds in an interest bearing account with interest accruing to the benefit of the City and subject to requisition by the City.

State Housing Aid

Pursuant to Rhode Island General Laws Sections 16-7-35 to 16-7-47, as amended (the "School Aid Act"), the State provides construction aid to Rhode Island municipalities and regional school districts for the cost of building or renovating public schools. All buildings constructed or renovated since July 1, 1949 are eligible for assistance to a minimum of 30% of the full cost of such buildings. Currently, the City's State Housing Aid percentage is approximately 80%. For projects approved after June 30, 2003, the cost of interest on any bond will be reimbursed as an eligible project cost only if the bonds for these projects are issued through RIHEBC. Principal is reimbursable irrespective of whether the bonds are issued through RIHEBC or not.

The School Aid Act authorizes an intercept mechanism under which the General Treasurer pays the State Housing Aid directly to RIHEBC or its designee. Upon the occurrence of certain events of default, State Housing Aid relating to other bonds, notes and evidences of indebtedness of the City and the PPBA may be intercepted and applied to the payment of the RIHEBC Bonds.

The School Aid Act has various restrictions, including a provision that RIHEBC's costs of issuance are reimbursable as project costs for housing aid purposes, but issuance costs of municipalities are not. Under current law, State Housing Aid only applies to those projects undertaken at school facilities under the care and control of a school committee and located on school property. In addition, facilities with combined school and municipal uses or facilities that are operated jointly with any other profit or non-profit agency do not qualify for State Housing Aid. Therefore, in the event that a facility (i) ceases to be under the care and control of a school committee, (ii) is located on property which ceases to be school property, (iii) becomes a facility with joined school and municipal uses, or (iv) becomes jointly operated with a profit or non-profit agency, a project will no longer qualify for State Housing Aid and payments of State Housing Aid in respect to such project will be discontinued.

Legislation was enacted in 2007 which requires that effective January 1, 2008, the issuance of bonds by a municipal PBA for a school construction project requires passage of an act by the general assembly.

FISCAL NOTE

NET DEBT SERVICE INCLUDING 2 NEW SCHOOL BOND ISSUES

7/18/2007

Debt Service of future PPBA Bond Issues Net of State
Reimbursement @ 80.24%

	Existing Debt Service Net of State Reimbursement ¹	Existing Debt Service Net of State Reimbursement Post Refunding ¹	Proposed SEPT. New Money Net of State Reimbursement ²	Proposed DEC. New Money Net of State Reimbursement ²	Aggregate Debt Service of Future New Money Bond Issuance Net of State Reimbursement	Resulting Debt Service
		a	b	c	(b+c)=d	(a+d)=e
FY	--	--				
2007	--	--				
2008	25,587,772	25,143,693	---	---	---	25,143,693
2009	28,614,152	28,170,072	---	---	---	28,170,072
2010	28,346,679	27,902,600	1,095,884	1,095,884	2,191,769	30,094,369
2011	28,055,669	27,611,589	1,194,314	1,194,314	2,388,628	30,000,217
2012	23,481,218	23,037,139	1,194,354	1,194,354	2,388,707	25,425,846
2013	19,745,592	19,301,512	1,193,524	1,193,524	2,387,048	21,688,559
2014	18,067,491	17,129,262	1,193,761	1,193,761	2,387,522	19,516,784
2015	18,069,181	16,985,778	1,194,018	1,194,018	2,388,036	19,373,814
2016	17,945,239	16,380,117	1,194,255	1,194,255	2,388,510	18,768,627
2017	17,249,994	15,685,329	1,193,464	1,193,464	2,386,929	18,072,258
2018	16,902,763	15,336,687	1,193,924	1,193,924	2,387,848	17,724,535
2019	16,898,689	15,334,275	1,194,245	1,194,245	2,388,490	17,722,765
2020	15,868,361	14,709,740	1,193,702	1,193,702	2,387,403	17,097,143
2021	10,843,083	10,311,470	1,194,171	1,194,171	2,388,342	12,699,812
2022	10,525,213	10,307,715	1,193,578	1,193,578	2,387,156	12,694,872
2023	10,301,897	10,301,897	1,193,800	1,193,800	2,387,601	12,689,498
2024	10,303,313	10,303,313	1,193,726	1,193,726	2,387,453	12,690,765
2025	9,413,226	9,413,226	1,194,220	1,194,220	2,388,441	11,801,666
2026	38,684,393	38,684,393	1,194,171	1,194,171	2,388,342	41,072,735
2027	7,146,740	7,146,740	1,193,479	1,193,479	2,386,959	9,533,698
2028	7,148,132	7,148,132	1,193,973	1,193,973	2,387,947	9,536,078
2029	6,035,900	6,035,900	---	---	---	6,035,900
2030	1,835,000	1,835,000	---	---	---	1,835,000
2031	1,835,000	1,835,000	---	---	---	1,835,000
2032	1,835,000	1,835,000	---	---	---	1,835,000
2033	1,835,000	1,835,000	---	---	---	1,835,000
2034	1,835,000	1,835,000	---	---	---	1,835,000
2035	1,835,000	1,835,000	---	---	---	1,835,000
2036	1,835,000	1,835,000	---	---	---	1,835,000
2037	1,835,000	1,835,000	---	---	---	1,835,000
2038	--	--	---	---	---	---
2039	--	--	---	---	---	---
2040	--	--	---	---	---	---
2041	--	--	---	---	---	---
2042	--	--	---	---	---	---
2043	--	--	---	---	---	---
	399,914,696	387,060,576	22,586,564	22,586,564	45,173,128	432,233,704

1.) Combines outstanding debt service of the PPBA, GO, and the Providence Red. Authority

2.) Assumes capitalized interest accrued through 6/30/2009

* Market Rates as of 7/18/2007

**GENERAL FUND OBLIGATIONS
Principal Payments**

<u>Issue</u>	<u>Date of Issue</u>	<u>Maturity</u>	<u>2008</u>	<u>w/ offsets 2008</u>
2 \$23,435,000 - G.O. Refunding Bonds - 1977	5/15/1997	1/15/2011	\$1,610,000	\$1,610,000 \$0
8 \$6,825,000 - G.O. Judgement Bond	8/1/2000	8/1/2015	\$415,000	\$415,000 \$0
10 \$7,962,067 - Street Light Financing		7/15/2010	\$840,000	\$840,000 \$0
11 \$37,000,000 (2001 - Tax-Exempt Portion of \$50 million Neigh. Bond)	11/28/2001	1/15/2026	\$1,160,000	\$760,000 -\$400,000
11 \$13,000,000 (2001 - Taxable Portion of \$50 million Neigh. Bond)	11/28/2001	1/15/2026	\$340,000	\$340,000 \$0
11 \$21,620,000 - 2001 G.O. Refinance Bond (Refi of \$35.15m '93 Bond)	11/28/2001	1/15/2013	\$1,910,000	\$1,910,000 \$0
13 \$34,395,000 Series A Refunding Bond (2004)	9/2004	9/2020	\$1,940,000	\$1,940,000 \$0
13 \$12,135,000 Series B Refunding Bond (2004)	9/2004	9/2020	\$655,000	\$655,000 \$0
14 \$68,430,000 Public Safety & Municipal Bldg. Refinance PRA	3/1/2005	6/1/2028	\$2,080,000	\$2,080,000 \$0
15 \$2,223,000 July 15, 2005 - PRA Parcel 12 Property	7/15/2005	4/15/2011	\$354,662	\$354,662 \$0
16 \$28.675 million (Refinancing of 1995 Series A, B, C, & D) TIF	11/8/2005	6/30/2016	\$2,505,000	\$2,505,000 \$0
20 \$29.9 million (Refinancing of 2001 Neighborhood Bond)	8/1/2006	6/30/2026	\$140,000	\$140,000 \$0

General Obligation Bonds - Principal Payments

\$13,949,662 \$13,549,662 \$0

**GENERAL FUND OBLIGATIONS
Interest Payments**

\$23,435,000 - G.O. Refunding Bonds - 1977	5/15/1997	1/15/2011	\$341,220	\$383,193 \$41,973
\$6,825,000 - G.O. Judgement Bond	8/1/2000	8/1/2015	\$237,146	\$237,146 \$0
\$7,962,067 - Street Light Financing		7/15/2010	\$187,282	\$187,282 \$0
\$37,000,000 (2001 - Tax-Exempt Portion of \$50 million Neigh. Bond)	11/28/2001	1/15/2026	\$1,607,569	\$246,494 -\$1,361,075
\$13,000,000 (2001 - Taxable Portion of \$50 million Neigh. Bond)	11/28/2001	1/15/2026	\$791,556	\$791,556 \$0
\$21,620,000 - 2001 G.O. Refinance Bond (Refi of \$35.15m '93 Bond)	11/28/2001	1/15/2013	\$574,150	\$574,150 \$0
\$34,395,000 Series A Refunding Bond (2004)	9/2004	9/2020	\$1,268,868	\$1,268,868 \$0
\$12,135,000 Series B Refunding Bond (2004)	9/2004	9/2020	\$523,995	\$523,995 \$0
\$68,430,000 Public Safety & Municipal Bldg. Refinance PRA	3/1/2005	6/1/2028	\$2,901,172	\$2,901,172 \$0
\$2,223,000 July 15, 2005 - PRA Parcel 12 Property	7/15/2005	4/15/2011	\$97,803	\$97,803 \$0
\$28.675 million (Refinancing of 1995 Series A, B, C, & D) TIF	11/8/2005	6/30/2016	\$1,254,762	\$1,254,762 \$0
\$29.9 million (Refinancing of 2001 Neighborhood Bond)	8/1/2006	6/30/2026	\$1,179,828	\$1,179,828 \$0

General Obligation Bonds - Interest Payments

\$10,965,350 \$9,646,248 \$0

TOTAL GENERAL FUND DEBT SERVICE

\$24,915,012 \$23,195,910 \$0

**PROVIDENCE PUBLIC BUILDING AUTHORITY
Principal & Interest Payments**

A	\$21,225,000 ~ (1996 - School Projects - Leviton) Series B	6/15/1997	12/15/2016	\$1,040,000 \$693,341 \$1,733,341	\$1,040,000 \$0 \$693,341 \$0 \$1,733,341 \$0
B	\$36,225,000 ~ 1996 Series A (20.58% paid by WSB)	6/15/1996	12/15/2011	\$2,164,195 \$507,049 \$2,671,244	\$2,164,195 \$0 \$507,049 \$0 \$2,671,244 \$0
C	\$7,500,000 ~ Feinstein School Project (1995 Series B)	6/15/1995	12/15/2014	\$420,000 \$211,395 \$631,395	\$420,000 \$0 \$211,395 \$0 \$631,395 \$0
D	\$10,435,000 ~ Series A - 1990 (Series B - 2000 ~ Delayed Delivery)	12/15/2000	12/15/2010	\$1,075,000 \$238,481 \$1,313,481	\$1,075,000 \$0 \$238,481 \$0 \$1,313,481 \$0
E	\$28,270,000 ~ (1998 - Schools & Public Facility Projects) Series A	6/15/1999	12/15/2018	\$1,420,000 \$921,175 \$2,341,175	\$1,420,000 \$0 \$956,676 \$35,501 \$2,376,676 \$0
	\$4,235,000 ~ "Plains of Africa Exhibit" 1992 Revenue Bonds Series A	6/15/1993	12/15/2007	\$235,000 \$5,875 \$240,875	\$235,000 \$0 \$5,875 \$0 \$240,875 \$0
G	\$39,750,000 ~ (1999 Series A ~ Schools & Public Facility Projects)	7/8/1999	12/15/2019	\$1,665,000 \$1,506,859 \$3,171,859	\$1,665,000 \$0 \$1,506,859 \$0 \$3,171,859 \$0
H	\$18,770,000 ~ (2000 - School Project) Series A	12/15/2000	12/15/2020	\$730,000 \$856,453 \$1,586,453	\$730,000 \$0 \$856,453 \$0 \$1,586,453 \$0
	\$9,995,000 ~ (Schools & Public Facilities) Revenue 2001 Series A			\$405,000 \$413,996 \$818,996	\$405,000 \$0 \$413,996 \$0 \$818,996 \$0
	\$1,216,000 ~ (2002 - Qualified Zone Academy Rev. Bonds - Schools)		12/24/2008	\$197,659	\$197,659 \$0
K	\$31,000,000 ~ (2003 Series A Bond - Mandela Woods)			\$1,215,000 \$1,072,850 \$2,287,850	\$1,215,000 \$0 \$1,072,850 \$0 \$2,287,850 \$0
L	\$31,000,000 ~ (2003 Series B Bond - School Projects)			\$1,200,000 \$1,081,375 \$2,281,375	\$1,200,000 \$0 \$1,081,375 \$0 \$2,281,375 \$0
M	\$60,000,000 ~ (SERIES 2006 A - RIHEBC)			\$690,000 \$2,915,350 \$3,605,350	\$0 -\$690,000 \$172,919 -\$2,742,431 \$172,919 \$0
Total PPBA Debt Service				\$22,881,052	\$19,484,122 \$0

MASTER LEASE DEBT SERVICE**Amount Issued**

FY1996 Fleet Lease A
FY1997 Koch Lease #1
FY1998 Koch Lease #2
FY1999 Master Lease
FY2000 Master Lease
FY2001 Master Lease
FY2002 Master Lease
FY2003 Master Lease
FY2004 Master Lease
FY2005 Master Lease
FY2006 Master Lease
FY2007 Master Lease
Police Parking Garage Leaseback

\$3,980,000
\$4,050,000
\$6,000,000
\$8,010,000
\$3,335,000
\$4,444,000
\$7,310,000
\$8,151,420
\$7,546,732

4/1/1999 4/1/2004
7/1/2001 7/1/2005
4/20/2001 8/15/2005
2/1/2002 2/1/2007
6/15/2003 7/1/2009

11/15/2004 11/15/2009
11/20/2006 11/20/2011

\$622,543	\$622,543	\$0
\$813,505	\$813,505	\$0
\$1,640,260	\$1,640,260	\$0
\$2,031,671	\$2,031,671	\$0
\$1,683,788	\$1,683,788	\$0
\$404,938	\$404,938	\$0
\$7,196,704	\$7,196,704	\$0

TOTAL - General, PPBA & Master Lease Debt Service

\$54,992,769	\$49,876,736	-\$5,116,033
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Department of Public Property
\$75 million bond - 2007

Hanley Vocational	29,000,000.00	
Central High (final phase)	20,000,000.00	
Athletic Complex	11,000,000.00	
Warm Safe Dry	10,000,000.00	
Issuance Costs	5,000,000.00	
		75,000,000.00

\$75 million bond - 2008

Nathan Bishop	40,000,000.00	
Career Tech High School	Budget & Site to be determined	
Warm, Safe, Dry		
Issuance Costs	5,000,000.00	
		75,000,000.00

Resolution Adopted
June __, 2007
Dr. Donnie W. Evans

THE CITY OF PROVIDENCE

SCHOOL BOARD

NO. _____

**RESOLUTION AUTHORIZING AND APPROVING THE
PLAN OF FINANCE CONSISTING OF THE
PHASE I PROJECTS AND THE PHASE II PROJECTS AND THE
SUBLEASE OR SUBLEASES RELATING TO SUCH PROJECTS**

PRESENTED by Superintendent Evans

WHEREAS, The Mayor, by proposal letter dated June __, 2007 has requested the Providence Public Buildings Authority (the "Authority") (acting either independently or in conjunction with a financing of the Rhode Island Health and Educational Building Corporation ("RIHEBC") in which the Authority participates) to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within a period consisting of the second half of 2007 through the first half of 2008; and

WHEREAS, the Phase I Projects shall consist collectively of the following within the City of Providence: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and undertake any other acts necessary or incidental thereto, all as and for the Phase I Projects; and

WHEREAS, the Phase II Projects shall consist collectively of the following within the City of Providence: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction,

renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects; and

WHEREAS, Section 45-50-10 of the Rhode Island General Laws, 1956 (1999 Reenactment) requires School Committee approval of any project relating to the management and control of public school property, including, but not limited to, the initiation of a public school project and school site selection; and

WHEREAS, in order to execute the financing of the Phase I Projects and the Phase II Projects, as the case may be, the City of Providence (the "Lessee") must enter into a Lease Agreement or Lease Agreements with the Providence Public Buildings Authority (the "Lessor"); and

WHEREAS, in order to execute the financing of the Phase I Projects and the Phase II Projects, as the case may be, the City of Providence School Board (the "School Board" or the "Sublessee") must enter into a Sublease Agreement or Agreements (the "Sublease" or "Subleases") with the City of Providence, as sublessor (the "Sublessor"); and

WHEREAS, it is proposed that the Hanley Vocational Project be located at _____ (Plat ____, Lot ____) in the City, and that the Free Standing Physical Education Facility Project be attached to the Hanley Vocational School Gymnasium located at 71 Fricker Street (Plat 29, Lot 509) in the City;

WHEREAS, it is proposed that the Nathan Bishop Middle School Project be located at _____ (Plat ____, Lot ____) in the City; and

WHEREAS, the site of the Career Technology Education Center Project within the boundaries of the City of Providence has not yet been proposed for determination;

NOW THEREFORE, BE IT RESOLVED, that the School Board hereby approves the Phase I Projects and the Phase II Projects as described in the Mayor's proposal letter and authorizes the execution and delivery by the Chairman or the Vice Chairman of the School Board and by the School Superintendent of a Sublease or Subleases, in such form and with such terms

constitutes the City's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse its General Fund in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) for certain capital expenditures for the Phase I Projects and in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) for certain capital expenditures for the Phase II Projects paid on or after the date which is sixty (60) days prior to the date of this Resolution but prior to the issuance of the Authority's and/or RIHEBC's Obligations, or otherwise as permitted by such regulation. Amounts to be reimbursed shall be reimbursed not later than eighteen months after the later of (a) the date on which the expenditure is paid or (b) the date the Phase I Projects and the Phase II Projects, as the case may be, are placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

9. With respect to the Phase I Projects and the Phase II Projects authorized herein, to the extent that the construction of such project requires any amendment of the zoning ordinance or zoning map of the City, the City Council hereby initiates the same and directs that the City Planning Commission at its earliest opportunity provide it with its findings and recommendations as provided for in Rhode Island General Laws Section 45-24-52, as amended, and that the City Clerk schedule a public hearing of the City Council with all reasonable dispatch, giving proper notice as prescribed in Rhode Island General Laws Section 45-24-53, for this City Council to act on the proposed amendment

10. This Resolution shall take effect on passage.

June __, 2007

Mr. Lloyd Granoff
Chairman
Providence Public Buildings Authority
400 Westminster Street
Providence, Rhode Island 02903

Dear Lloyd:

Section 45-50-10 of the General Laws of Rhode Island authorizes any authority created pursuant to the Municipal Public Buildings Authorities Law to acquire and construct public facilities and to acquire public equipment that constitute projects under said law; to maintain, renovate, repair and operate the same; and to issue revenue bonds to finance the same.

Chapter 16-7 of the General Laws of Rhode Island provides for state grants to reimburse a portion of a municipality's cost of providing school housing. Section 16-7-44 was recently amended so that interest costs on financing for school housing is eligible to be taken into account as a cost of school housing only if the financing is accomplished through the Rhode Island Health and Educational Building Corporation ("RIHEBC"). Existing financing arrangements with Providence Public Buildings Authority (the "Authority") relating to school projects may require that the Authority participate with RIHEBC in the financing of school projects for the City of Providence (the "City").

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Providence City Council join me in requesting the Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) to use its best efforts to finance a Plan of Finance consisting of (i) the Phase I Projects (as hereinafter defined), such financing for the Phase I Projects being expected to conclude within the second half of 2007, and (ii) the Phase II Projects (as hereinafter defined), such financing for the Phase II Projects being expected to conclude within the period consisting of the second half of 2007 through the first half of 2008.

The Phase I Projects shall consist collectively of the following within the City: (i) the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building known as the Hanley Vocational Building and related facilities for conversion to use as a career technology education center (the "Hanley Vocational Project"), (ii) Phase IV (final phase) of the

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reconstruction, renovation, demolition and site preparation, equipping and upgrading the air conditioning, electrical, plumbing and other utility systems of Central High School (the "Central High School Project"), (iii) the acquisition, construction, improvement, furnishing and equipping of a new indoor physical education and sports complex (the "Free Standing Physical Education Facility Project"), and (iv) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase I Projects. The financing for the Phase I Projects shall consist of bonds, notes and/or other evidence of indebtedness to be issued in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) (the "Phase I Obligations") to provide funding for the Phase I Projects.

The Authority and/or RIHEBC (in conjunction with the Authority) are further requested to obtain title to the real estate and improvements constituting the Phase I Projects or such additional property as shall be necessary to secure the Phase I Obligations and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Phase I Projects and to lease the Phase I Projects to the City for the benefit of the citizens of Providence.

The Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) is requested to issue Phase I Obligations in the amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase I Projects, to capitalize interest, if permitted, to pay the costs of issuance of the Phase I Obligations, to fund a debt service reserve fund or obtain a surety obligation with respect thereto and to fund such other expenses as may be necessary or incidental to the completion of the Phase I Projects.

The Phase II Projects shall consist collectively of the following within the City: (i) the acquisition, construction, demolition and site preparation and equipping of a new building on a site to be subsequently determined within the City to use as a career technology education center, or, in the alternative, the acquisition, reconstruction, renovation, demolition and site preparation, equipping and upgrading the mechanical, electrical, plumbing and other utility systems of an existing building within the City for conversion to use as a career technology education center, the alternative to be selected to be subsequently determined (the "Career Technology Education Center Project"), (ii) the total renovation and rehabilitation (and related demolition and site preparation), furnishing and equipping of the existing Nathan Bishop Middle School on an existing site, including the provisions of related facilities with respect thereto (the "Nathan

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Bishop Middle School Project"), and (iii) the renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including fire code corrections and oil tank removal (the "2007/2008 Miscellaneous Renovation Projects"), and including, in connection with all of the foregoing, the design, feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto, all as and for the Phase II Projects. The financing for the Phase II Projects shall consist of bonds, notes and/or other evidence of indebtedness to be issued in an amount not to exceed Seventy-Five Million Dollars (\$75,000,000) (the "Phase II Obligations") to provide funding for the Phase II Projects.

The Authority and/or RIHEBC (in conjunction with the Authority) are further requested to obtain title to the real estate and improvements constituting the Phase II Projects or such additional property as shall be necessary to secure the Phase II Obligations and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Phase II Projects and to lease the Phase II Projects to the City for the benefit of the citizens of Providence.

The Authority (acting either independently or in conjunction with a RIHEBC financing in which the Authority participates) is requested to issue Phase II Obligations in the amount not to exceed Seventy-Five Million Dollars (\$75,000,000) to provide funding for the Phase II Projects, to capitalize interest, if permitted, to pay the costs of issuance of the Phase II Obligations, to fund a debt service reserve fund or obtain a surety obligation with respect thereto and to fund such other expenses as may be necessary or incidental to the completion of the Phase II Projects.

This request made hereby with respect to the Plan of Finance is subject to the approving vote of the Providence City Council.

Sincerely,

DAVID N. CICILLINE
Mayor of Providence