

RESOLUTION OF THE CITY COUNCIL

No. 181

Approved March 6, 2015

WHEREAS, The Providence Redevelopment Agency had issued its \$68,000,000 (Public Safety and Municipal Building Projects) Revenue Bonds, 1999 Series A (the "1999 Series A Bonds") in order to provide for the acquisition, construction and equipping of a Public Safety Building and the acquisition, restoration, refurbishing and equipping of the Fogarty Building located at 111 Fountain Street, for use as an interim public safety facility or for use by various municipal departments, agencies and non-profit agencies (the "Project"); and

WHEREAS, The Providence Redevelopment Agency has issued its \$67,315,000 (Public Safety Building Project) Revenue Refunding Bonds, 2005 Series A (the "2005 Series A Bonds") and its \$1,115,000 (Public Safety Building Project) Taxable Revenue Refunding Bonds, 2005 Series B (the "2005 Series B Bonds") in order to advance refund the 1999 Series A Bonds; and

WHEREAS, Interest rates are at such levels that current refunding of some or all of the 2005 Series A Bonds would result in financial benefits for the Providence Redevelopment Agency and the City of Providence (the "City"); and

WHEREAS, In connection with the 2005 Series A Bonds the City Council authorized the Mayor to enter into a Lease Agreement dated as of November 1, 1999 relating to the Public Safety Building, as amended and restated as of March 1, 2005 (as amended, the "Lease"); and

WHEREAS, In connection with the refunding of the 2005 Series A Bonds the Lease must be further amended.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The City Council hereby authorizes the Mayor to enter into amendments to the Lease, and the Mayor is authorized to take any and all action and to execute, file, and deliver such amendments to the Lease and any and all agreements, notes, discharges, and other documents and amendments thereto in such form as he may deem necessary or desirable to implement the Providence Redevelopment Agency's refinancing of the Project.

2. The City Council, pursuant to Section 45-32-5(c) of the General Laws of Rhode Island, authorizes the Providence Redevelopment Agency to retain title to the Project for a period of twenty-five (25) years or until any obligations issued by or on behalf of the Providence Redevelopment Agency to refinance the Project (the "Refunding Obligations") have been paid in full, whichever is greater

3. The City's Director of Finance is authorized to execute and deliver a continuing disclosure certificate in connection with the Refunding Obligations issued by or on behalf of the Providence Redevelopment Agency, 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 the continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Refunding Obligations, failure of the City to comply with the continuing disclosure certificate shall not be considered an event of default; however, any certificate holder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Resolution and under the continuing disclosure certificate,

4. This Resolution shall take effect on passage.

IN CITY COUNCIL

MAR 05 2015

READ AND PASSED

PRES.

CLERK

I HEREBY APPROVE

Mayor

Date:

3/6/15



Finance Department
"Building Pride In Providence"

FISCAL IMPACT NOTE

March 2, 2015

City Council Finance Committee
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Re: Proposed Providence Redevelopment Agency Revenue Refunding Bonds

Set forth below is a fiscal impact note related to the proposed Revenue Refunding Bonds (the "Bonds") of the Providence Redevelopment Agency (the "PRA").

Upon authorization by the Providence Redevelopment Agency Board, it is anticipated that the Bonds will be issued by March 31, 2015.

The Bonds may be issued to refund all or a portion of the PRA's outstanding \$48,380,000 Revenue Refunding Bonds (Public Safety Building Project) dated March 1, 2005 and are expected to mature not later than the bonds that are being refunded. The principal and interest payments are estimated as shown on the attached Schedule A based on an assumed net interest rate of 3.86%.

The anticipated savings from the refunding for the City is shown on attached Schedule B.

Respectfully yours,

A handwritten signature in cursive script that reads "Lawrence J. Mancini".

Lawrence J. Mancini
Finance Director

PROJECTED BOND DEBT SERVICE
City of Providence, Rhode Island
Providence Redevelopment Agency
Revenue Refunding Bonds, Series 2015
Preliminary/Subject to Change
Dated Date 03/31/2015

Fiscal Year Ending	Principal	Interest	Debt Service
6/30/2015	\$ -	\$ -	\$ -
6/30/2016	2,905,000.00	2,074,045.28	4,979,045.28
6/30/2017	2,960,000.00	2,010,200.00	4,970,200.00
6/30/2018	3,055,000.00	1,921,400.00	4,976,400.00
6/30/2019	3,180,000.00	1,799,200.00	4,979,200.00
6/30/2020	2,670,000.00	1,672,000.00	4,342,000.00
6/30/2021	2,805,000.00	1,538,500.00	4,343,500.00
6/30/2022	2,940,000.00	1,398,250.00	4,338,250.00
6/30/2023	3,085,000.00	1,251,250.00	4,336,250.00
6/30/2024	3,245,000.00	1,097,000.00	4,342,000.00
6/30/2025	3,410,000.00	934,750.00	4,344,750.00
6/30/2026	3,580,000.00	764,250.00	4,344,250.00
6/30/2027	3,760,000.00	585,250.00	4,345,250.00
6/30/2028	3,945,000.00	397,250.00	4,342,250.00
6/30/2029	4,000,000.00	200,000.00	4,200,000.00
	\$ 45,540,000.00	\$ 17,643,345.28	\$ 63,183,345.28

PROJECTED SAVINGS
City of Providence, Rhode Island
Providence Redevelopment Agency
Revenue Refunding Bonds, Series 2015
Preliminary/Subject to Change

Fiscal Year Ending	Prior Debt Service	Refunding Debt Service	Projected Savings
6/30/2015	\$ 3,410,600	\$ -	\$ 3,410,600
6/30/2016	4,979,550	4,979,045	505
6/30/2017	4,974,550	4,970,200	4,350
6/30/2018	4,977,150	4,976,400	750
6/30/2019	4,979,675	4,979,200	475
6/30/2020	4,345,675	4,342,000	3,675
6/30/2021	4,346,950	4,343,500	3,450
6/30/2022	4,342,050	4,338,250	3,800
6/30/2023	4,340,975	4,336,250	4,725
6/30/2024	4,345,475	4,342,000	3,475
6/30/2025	4,346,975	4,344,750	2,225
6/30/2026	4,345,775	4,344,250	1,525
6/30/2027	4,345,525	4,345,250	275
6/30/2028	4,346,275	4,342,250	4,025
6/30/2029	4,200,900	4,200,000	900
	\$ 66,628,100	\$ 63,183,345	\$ 3,444,755

City of Providence
Providence Redevelopment Agency
Refunding of Series 2005A

Preliminary Savings Estimates Based on Projected Rates as of 2/25/2015
Preliminary. Subject to Change.

Savings Summary	
Par Amount	\$ 45,540,000
Premium	3,703,214
Avg Coupon of Refunded Bonds	4.812%
TIC	3.636%
All-in TIC	3.794%
Arb Yield	3.517%
Refunded Bonds	\$ 47,975,000
Net PV Savings	3,058,715
PV Savings %	6.376%
Escrow	Cash

	Prior Debt Service (Series 2005A)	Projected Refunding Debt Service	Projected SAVINGS
FY 2015	\$ 3,410,600	\$ -	\$ 3,410,600
FY 2016	4,979,550	4,979,045	505
FY 2017	4,974,550	4,970,200	4,350
FY 2018	4,977,150	4,976,400	750
FY 2019	4,979,675	4,979,200	475
FY 2020	4,345,675	4,342,000	3,675
FY 2021	4,346,950	4,343,500	3,450
FY 2022	4,342,050	4,338,250	3,800
FY 2023	4,340,975	4,336,250	4,725
FY 2024	4,345,475	4,342,000	3,475
FY 2025	4,346,975	4,344,750	2,225
FY 2026	4,345,775	4,344,250	1,525
FY 2027	4,345,525	4,345,250	275
FY 2028	4,346,275	4,342,250	4,025
FY 2029	4,200,900	4,200,000	900
Total	\$ 66,628,100	\$ 63,183,345	\$ 3,444,755

Avg Coupon of Refunded Bonds = 4.812%
True Interest Cost of Refunding Bonds = 3.636%

SAVINGS

Providence Redevelopment Agency
Current Refunding Revenue Bonds, Series 2015
Current Partial Refunding Series 2005 Bonds
Morgan Stanley Rates as of 2/25/15 +25bps
Preliminary / Subject to Change

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 03/31/2015 @ 3.5174444%
06/30/2015	3,410,600.00		3,410,600.00	3,410,269.67
06/30/2016	4,979,550.00	4,979,045.28	504.72	1,334.48
06/30/2017	4,974,550.00	4,970,200.00	4,350.00	4,297.27
06/30/2018	4,977,150.00	4,976,400.00	750.00	681.38
06/30/2019	4,979,675.00	4,979,200.00	475.00	263.79
06/30/2020	4,345,675.00	4,342,000.00	3,675.00	2,818.44
06/30/2021	4,346,950.00	4,343,500.00	3,450.00	2,573.41
06/30/2022	4,342,050.00	4,338,250.00	3,800.00	2,796.25
06/30/2023	4,340,975.00	4,336,250.00	4,725.00	3,439.61
06/30/2024	4,345,475.00	4,342,000.00	3,475.00	2,400.48
06/30/2025	4,346,975.00	4,344,750.00	2,225.00	1,428.54
06/30/2026	4,345,775.00	4,344,250.00	1,525.00	898.43
06/30/2027	4,345,525.00	4,345,250.00	275.00	37.89
06/30/2028	4,346,275.00	4,342,250.00	4,025.00	2,412.62
06/30/2029	4,200,900.00	4,200,000.00	900.00	449.25
	66,628,100.00	63,183,345.28	3,444,754.72	3,436,101.50

Savings Summary

PV of savings from cash flow	3,436,101.50
Less: Prior funds on hand	-4,932,179.61
Plus: Refunding funds on hand	4,554,793.91
Net PV Savings	3,058,715.80

SUMMARY OF REFUNDING RESULTS

Providence Redevelopment Agency
Current Refunding Revenue Bonds, Series 2015
Current Partial Refunding Series 2005 Bonds
Morgan Stanley Rates as of 2/25/15 +25bps
Preliminary / Subject to Change

Dated Date	03/31/2015
Delivery Date	03/31/2015
Arbitrage yield	3.517444%
Escrow yield	0.000000%
Value of Negative Arbitrage	
Bond Par Amount	45,540,000.00
True Interest Cost	3.636492%
Net Interest Cost	3.857616%
All-in TIC	3.793872%
Average Coupon	4.882396%
Average Life	7.935
Par amount of refunded bonds	47,975,000.00
Average coupon of refunded bonds	4.811891%
Average life of refunded bonds	7.584
PV of prior debt to 03/31/2015 @ 3.517444%	53,062,492.76
Net PV Savings	3,058,715.80
Percentage savings of refunded bonds	6.375645%

BOND DEBT SERVICE

Providence Redevelopment Agency
Current Refunding Revenue Bonds, Series 2015
Current Partial Refunding Series 2005 Bonds
Morgan Stanley Rates as of 2/25/15 +25bps
Preliminary / Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
10/01/2015			1,039,895.28	1,039,895.28	
04/01/2016	2,905,000	2.000%	1,034,150.00	3,939,150.00	
06/30/2016					4,979,045.28
10/01/2016			1,005,100.00	1,005,100.00	
04/01/2017	2,960,000	3.000%	1,005,100.00	3,965,100.00	
06/30/2017					4,970,200.00
10/01/2017			960,700.00	960,700.00	
04/01/2018	3,055,000	4.000%	960,700.00	4,015,700.00	
06/30/2018					4,976,400.00
10/01/2018			899,600.00	899,600.00	
04/01/2019	3,180,000	4.000%	899,600.00	4,079,600.00	
06/30/2019					4,979,200.00
10/01/2019			836,000.00	836,000.00	
04/01/2020	2,670,000	5.000%	836,000.00	3,506,000.00	
06/30/2020					4,342,000.00
10/01/2020			769,250.00	769,250.00	
04/01/2021	2,805,000	5.000%	769,250.00	3,574,250.00	
06/30/2021					4,343,500.00
10/01/2021			699,125.00	699,125.00	
04/01/2022	2,940,000	5.000%	699,125.00	3,639,125.00	
06/30/2022					4,338,250.00
10/01/2022			625,625.00	625,625.00	
04/01/2023	3,085,000	5.000%	625,625.00	3,710,625.00	
06/30/2023					4,336,250.00
10/01/2023			548,500.00	548,500.00	
04/01/2024	3,245,000	5.000%	548,500.00	3,793,500.00	
06/30/2024					4,342,000.00
10/01/2024			467,375.00	467,375.00	
04/01/2025	3,410,000	5.000%	467,375.00	3,877,375.00	
06/30/2025					4,344,750.00
10/01/2025			382,125.00	382,125.00	
04/01/2026	3,580,000	5.000%	382,125.00	3,962,125.00	
06/30/2026					4,344,250.00
10/01/2026			292,625.00	292,625.00	
04/01/2027	3,760,000	5.000%	292,625.00	4,052,625.00	
06/30/2027					4,345,250.00
10/01/2027			198,625.00	198,625.00	
04/01/2028	3,945,000	5.000%	198,625.00	4,143,625.00	
06/30/2028					4,342,250.00
10/01/2028			100,000.00	100,000.00	
04/01/2029	4,000,000	5.000%	100,000.00	4,100,000.00	
06/30/2029					4,200,000.00
	45,540,000		17,643,345.28	63,183,345.28	63,183,345.28

SUMMARY OF BONDS REFUNDED

Providence Redevelopment Agency
Current Refunding Revenue Bonds, Series 2015
Current Partial Refunding Series 2005 Bonds
Morgan Stanley Rates as of 2/25/15 +25bps
Preliminary / Subject to Change

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Revenue Refunding Bonds, 2005 Series A, 05A:					
SERIAL	04/01/2015	5.000%	2,105,000.00		
	04/01/2015	4.000%	160,000.00		
	04/01/2016	5.000%	2,800,000.00	04/01/2015	100.000
	04/01/2017	4.000%	2,935,000.00	04/01/2015	100.000
	04/01/2018	4.500%	2,055,000.00	04/01/2015	100.000
	04/01/2018	5.000%	1,000,000.00	04/01/2015	100.000
	04/01/2019	4.500%	3,200,000.00	04/01/2015	100.000
	04/01/2020	4.750%	2,710,000.00	04/01/2015	100.000
	04/01/2021	4.750%	2,840,000.00	04/01/2015	100.000
	04/01/2022	4.750%	2,970,000.00	04/01/2015	100.000
	04/01/2023	5.000%	3,110,000.00	04/01/2015	100.000
	04/01/2024	5.000%	3,270,000.00	04/01/2015	100.000
	04/01/2025	5.000%	3,325,000.00	04/01/2015	100.000
	04/01/2025	4.500%	110,000.00	04/01/2015	100.000
	04/01/2026	5.000%	3,605,000.00	04/01/2015	100.000
	04/01/2027	5.000%	3,785,000.00	04/01/2015	100.000
	04/01/2028	5.000%	2,300,000.00	04/01/2015	100.000
	04/01/2028	4.500%	1,675,000.00	04/01/2015	100.000
	04/01/2029	4.500%	4,020,000.00	04/01/2015	100.000
			47,975,000.00		

PRIOR BOND DEBT SERVICE

Providence Redevelopment Agency
 Current Refunding Revenue Bonds, Series 2015
 Current Partial Refunding Series 2005 Bonds
 Morgan Stanley Rates as of 2/25/15 +25bps
 Preliminary / Subject to Change

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2015	2,265,000	** %	1,145,600.00	3,410,600.00	
06/30/2015					3,410,600
10/01/2015			1,089,775.00	1,089,775.00	
04/01/2016	2,800,000	5.000%	1,089,775.00	3,889,775.00	
06/30/2016					4,979,550
10/01/2016			1,019,775.00	1,019,775.00	
04/01/2017	2,935,000	4.000%	1,019,775.00	3,954,775.00	
06/30/2017					4,974,550
10/01/2017			961,075.00	961,075.00	
04/01/2018	3,055,000	** %	961,075.00	4,016,075.00	
06/30/2018					4,977,150
10/01/2018			889,837.50	889,837.50	
04/01/2019	3,200,000	4.500%	889,837.50	4,089,837.50	
06/30/2019					4,979,675
10/01/2019			817,837.50	817,837.50	
04/01/2020	2,710,000	4.750%	817,837.50	3,527,837.50	
06/30/2020					4,345,675
10/01/2020			753,475.00	753,475.00	
04/01/2021	2,840,000	4.750%	753,475.00	3,593,475.00	
06/30/2021					4,346,950
10/01/2021			686,025.00	686,025.00	
04/01/2022	2,970,000	4.750%	686,025.00	3,656,025.00	
06/30/2022					4,342,050
10/01/2022			615,487.50	615,487.50	
04/01/2023	3,110,000	5.000%	615,487.50	3,725,487.50	
06/30/2023					4,340,975
10/01/2023			537,737.50	537,737.50	
04/01/2024	3,270,000	5.000%	537,737.50	3,807,737.50	
06/30/2024					4,345,475
10/01/2024			455,987.50	455,987.50	
04/01/2025	3,435,000	** %	455,987.50	3,890,987.50	
06/30/2025					4,346,975
10/01/2025			370,387.50	370,387.50	
04/01/2026	3,605,000	5.000%	370,387.50	3,975,387.50	
06/30/2026					4,345,775
10/01/2026			280,262.50	280,262.50	
04/01/2027	3,785,000	5.000%	280,262.50	4,065,262.50	
06/30/2027					4,345,525
10/01/2027			185,637.50	185,637.50	
04/01/2028	3,975,000	** %	185,637.50	4,160,637.50	
06/30/2028					4,346,275
10/01/2028			90,450.00	90,450.00	
04/01/2029	4,020,000	4.500%	90,450.00	4,110,450.00	
06/30/2029					4,200,900
	47,975,000		18,653,100.00	66,628,100.00	66,628,100