

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 121

EFFECTIVE ~~Approved~~ February 28, 2011

WHEREAS, The School Committee resolved that the land and buildings situated at 217 and 233 Lexington Avenue, and 544 Elmwood Avenue, Providence, Rhode Island ("Property"), that recently housed the City school known as the Feinstein School, is unneeded and surplus; and

WHEREAS, The cost of maintaining the Property is a financial burden to the City; and

WHEREAS, The City leases the Property from the Providence Public Building Authority ("Authority") under a Lease dated June 28, 1994, as amended by a First Amendment dated June 15, 1995 (as amended, the "Lease"), with an option ("City's Option") to purchase the Property for \$1.00 upon the payoff the Project Acquisition promissory Note(s) in accordance with Section 8.3 of the Lease; and

WHEREAS, The term of the Lease expires on September 15, 2015; and

WHEREAS, The City subleased the Property to the School Committee of the City of Providence by a Sublease dated June 28, 1994, as amended by a First Amendment dated June 15, 1995; and

WHEREAS, The City, Authority and School Committee have agreed to lease/sublease the Property to The Paul Cuffee School ("School") by a Lease/Sublease dated as of September 1, 2010 ("School Lease"), for a term, including options to extend, expiring on August 31, 2016; and


WHEREAS, The School Lease obligates the School to make all major repairs; and


WHEREAS, The School is unwilling to commit to make such repairs unless the City Council ratifies the Lease, including the additional term from September 15, 2015 to August 30, 2016, and School has the option to purchase the Property; and

WHEREAS, The Providence Redevelopment Agency (PRA) has the expertise and experience to manage properties and coordinate the development activities of the City of Providence.

NOW, THEREFORE, BE IT RESOLVED, That the City of Providence hereby approves the Lease and transfers the City's Option to the Providence Redevelopment Agency to permit its redevelopment.

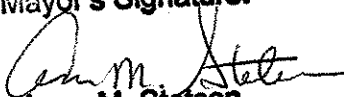
IN CITY COUNCIL
FEB 17 2011
READ AND PASSED



PRMS.


CLERK

Effective without the
Mayor's Signature:



Anna M. Stetson
City Clerk



February 15, 2011

Councilman John Igliozi,
Chairman, Committee on Finance
C/O City Clerk's Office
Providence City Hall
Providence, R.I. 02903

Dear Chairman Igliozi:

For your consideration, here is the fiscal note pertaining to the proposed lease for the former Feinstein High School to the Paul Cuffee Charter School. The terms of the lease are the following:

Term: Three years beginning July 1, 2010 with three one-year renewals upon 120 days notice.

Rent: The Cuffee School will pay the City \$80,004 annually per year.

Operating Expenses: The Cuffee School will assume all maintenance and operating costs including but not limiting to utilities, snow removal, janitorial services and security.

Maintenance: The Cuffee School will be responsible for all maintenance and will replace the roof at its cost.

Purchase Option: The Cuffee School will have an option to purchase the school at the fair market value but not greater than \$3,000,000. The price shall be reduced by the present value of any lease payments and any expenditures on single capital projects of \$25,000 or more.

The benefits to the City are:

Annual Rent: \$80,004.

Avoided Operating Costs (Utilities etc.): \$150,000 (estimate)

Roof Replacement (already installed): \$90,000 (estimate)

Purchase Price: Fair Market Value minus credits.

Thank you for your consideration and should you have any questions, please feel free to contact me to discuss.

Respectfully Submitted;

Richard Kerbel

Senior Advisor / Interim Finance Director

FINANCE DEPARTMENT

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