

RESOLUTION OF THE CITY COUNCIL

No. 310

Approved May 23, 1991

WHEREAS, the Providence Public Buildings Authority (the "Authority") was constituted as a body corporate and politic of the City of Providence 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 and acquiring public equipment; maintaining, renovating, repairing and operating the same; and issuing its revenue bonds to finance the public facilities and public equipment; and

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

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

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

NOW, THEREFORE, BE IT RESOLVED:

1. That the City Council hereby approves the Proposal of the Mayor dated March 21, 1991 (the "Proposal") which, among other things, requests the Authority to use its best efforts to acquire and operate certain real property and the improvements thereon at Roger Williams Park in the City of Providence known as the "African Plains Exhibit";

2. That the total sum of said project is to be \$4,450,000.00;

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

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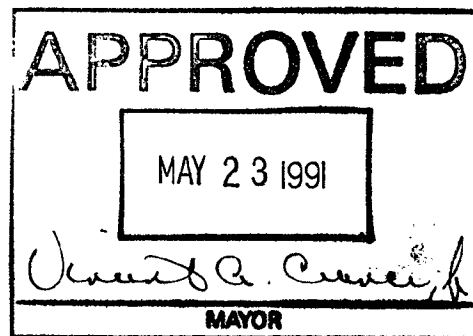
4. That the City Council hereby approves the transfer of the real property and equipment described on Exhibit "B" to the Authority, which property shall be reconveyed to the City at the conclusion of the lease described in paragraph four;

5. That the City Council hereby authorizes the Mayor to negotiate and lease the Project from the Authority.

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

7. That this Resolution shall take effect on passage.

IN CITY COUNCIL
MAY 16 1991
READ AND PASSED
James H. Petramelli
PRES.
Michael L. Clement
First Deputy City Clerk
CLERK



**THE COMMITTEE ON
FINANCE**

**Approves Passage of
The Within Resolution**

Michael R. Christ
Chairman

Clerk

May 15, 1991



Executive Office, City of Providence, Rhode Island

VINCENT A. CIANCI, JR.

MAYOR

March 21, 1991

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

Gentlemen and Ladies:

Section 45-50-10 authorizes any authority created pursuant to the Municipal Public Building Authorities Act to acquire and construct public facilities and to acquire public equipment; to maintain, renovate, repair and operate the same; and to issue revenue bonds to finance the same.

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Providence Public Buildings Authority (the "Authority") use its best efforts to acquire and operate the African Plains Exhibit at Roger Williams Park (the "Project"). The Authority is further requested to lease the Project to the City, which will sublease the Project to the Board of Park Commissioners and to cooperate with the City in maintaining and operating the Project for the benefit of the citizens of Providence.


Providence Public Buildings Authority
March 21, 1991
Page 2

The Authority is requested to issue its Bonds and/or Notes in an amount not to exceed Five Million Two Hundred Fifty Thousand Dollars (\$5,250,000) to provide funding for the Project, to capitalize interest to pay the costs of issuance of the Bonds and/or Notes and such other expenses as may be necessary or incidental to the completion of the Project.

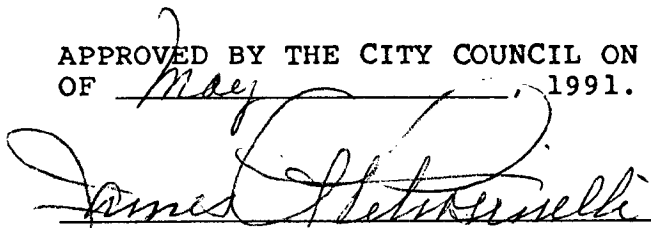
This request is subject to the approving vote of the Providence City Council.

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

Sincerely,


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

APPROVED BY THE CITY COUNCIL ON THE 16th DAY
OF May, 1991.


City Council President
2717u



Executive Office, City of Providence, Rhode Island

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City Council President

2717u

COUNCILMAN
DAVID G. DILLON
DEPUTY MAJORITY LEADER
292 WAVERLY STREET
PROVIDENCE, RI 02909
Res. 273-7572



COMMITTEES

Finance
Chairman

Urban Redevelopment,
Renewal and Planning

Providence
Redevelopment
Agency

City of Providence, Rhode Island

April 9, 1991

Mrs. Nancy Derrig
Superintendent of Parks
City of Providence
Providence, RI 02905

Dear Nancy:

In anticipation of the Finance Committee hearing on the PBA Bond for the African exhibit, presently scheduled for Monday April 22nd at 5:00 p.m., the Committee needs a written response to the following questions. I would appreciate this answer by Thursday, April 18th so that I can make the information available to Committee members prior to the meeting.

1. How much has been raised to date by the Zoological Society and how much more is pledged? Please break out these figures by donations versus grants if applicable.
2. Please list the total amount of zoo admission fees collected by fiscal year since the inception of the fee.
3. Please list the uses of the zoo admission fee by fiscal year. (i.e. animal purchases, repairs, construction, etc.)
4. From what source(s) has the interest on the \$3.63 million Fleet loan been paid -- from donations, zoo admissions or other?
5. What are the outstanding liabilities on this project at this time? Also include a sources and uses schedule for this project.
6. Why should the city assume the liability of the Zoological Society?
7. If the city approves the PBA Bond, how will the Zoological Society make up the funds lost from the admission receipts which were used for animal purchases, repairs and unexpected costs?
8. What will encourage the Zoological Society to continue to raise funds to pay off the Bond versus using new donations for new projects?

Thank you for your assistance in this matter, please contact myself or Stephen Woerner if you have any questions in this regard? Again, I look for this information next Thursday to distribute to Finance Committee members.

Sincerely,

David G. Dillon
Chairman - City Council Committee on Finance

CC Finance Committee members



Department of Public Parks
"Building Pride In Providence"

April 18, 1991

The Honorable David Dillon
Chairman-City Council Committee on Finance
232 Waverly Street
Providence, Rhode Island 02909

Dear Councilman Dillon:

I am forwarding to you responses to your questions regarding the PBA financing for the "Plains of Africa" Exhibit at Roger Williams Park Zoo. Exhibits 1, 2, 3, and 4 respond to your first four questions.

Because I felt it was important for the Finance Committee to receive responses to Questions 7 and 8 directly from the Zoological Society, I have taken the liberty of forwarding your letter to them for their reply. I have enclosed a copy for your information.

You have raised the larger question of why the City should assume the liability of the Zoological Society. The Zoological Society has a 27-year record of supporting Roger Williams Park Zoo. The latest example of their generosity is the Society's commitment to raise \$6 million to finance the "Plains of Africa" Exhibit. Launched eighteen months ago, the campaign has reached roughly one-half its goal to date. In order to proceed with construction during the campaign, the Zoological Society obtained a loan from Fleet National Bank for \$3.5 million. The loan is secured first by the gate proceeds, second by concession proceeds, and finally by the full faith and credit of the City of Providence. So, in fact, the City already assumed the liability of guaranteeing the Zoo Society's loan. This restructuring of the finances will help assure that the City will not have to step in to honor this debt.

In my experience, it is extraordinary for a private organization to have taken on such an ambitious fundraising project on behalf of the citizens of Providence. I can think of no other similar situation where a non-profit organization has been willing to borrow millions of dollars to finance a project for the public good. Of course, all the additional improvements become the property of the City of Providence. As you know, Roger Williams Park Zoo is increasingly an important tourist attraction and an economic development asset welcoming over 450,000 visitors last year, more than the total attendance at Trinity Square, Providence Performing Arts Center and the Pawtucket Red Sox! Specifically, over 100,000 Providence citizens enjoy the Zoo each year and that number is growing. To help develop and strengthen the Zoo at this time in our Providence development can only benefit the entire city. The Park and Zoo are public assets which give our capital city value and status and enhance the quality of life for us all.

Finally, the Capital Campaign Committee is made up of influential and dedicated members of the Providence community who have collectively raised many millions of dollars for worthy projects over the years. I am confident they will be successful in this project as well. In view of all of this, I think it is only appropriate that the City back up the Society's efforts.

I look forward to meeting with you to answer any additional questions you might have.

Sincerely,


NANCY L. DERRIG
Superintendent of Parks

enclosures

EXHIBIT 1

ZOO ADMISSIONS GATE/REVENUES AND OPERATING EXPENSES

REVENUES	TOTAL	10/1/90- 3/31/91 (6 MOS.)	10/1/89- 9/30/90 (12 MOS.)	01/1/89- 9/30/89 (8 MOS.)	01/1/88- 12/31/88 (12 MOS.)	05/19/87- 12/31/87 (7.5 MOS.)
Gate Recpts.	\$1,620,512	\$119,298	\$494,990	\$373,463	\$396,477	\$236,284
Interest Income	\$22,321	\$7,723	\$6,629	\$3,472	\$3,561	\$936
TOTAL REVENUE	\$1,642,833	\$127,021	\$501,619	\$376,935	\$400,038	\$327,220
EXPENSES	TOTAL	10/1/90- 3/31/91 (6 MOS.)	10/1/89- 9/30/90 (12 MOS.)	01/1/89- 9/30/89 (8 MOS.)	01/1/88- 12/31/88 (12 MOS.)	05/19/87- 12/31/87 (7.5 MOS.)
Gate Operating Costs (See Exhibit 2)	\$438,204	\$62,107	\$142,512	\$96,596	\$85,398	\$51,591
Depreciation	\$9,693	\$1,560	\$2,766	\$1,874	\$2,371	\$1,122
TOTAL EXPENSES	\$447,897	\$63,667	\$145,278	\$98,470	\$87,769	\$52,713
NET REVENUES	\$1,194,936	\$63,354	\$356,341	\$278,465	\$312,269	\$184,507
(See Exhibit 3)						

NOTE: There is no admissions charge in January and February, or on the first Saturday of each Month.

EXHIBIT 2

BREAKDOWN OF ZOO ADMISSIONS GATE OPERATING EXPENSES

EXPENSE CATEGORY	TOTAL	10/1/90- 3/31/91 (6 MOS.)	10/1/89- 9/30/90 (12 MOS.)	01/1/89- 9/30/89 (8 MOS.)	01/1/88- 12/31/88 (12 MOS.)	05/19/87- 12/31/87 (7.5 MOS.)
Payroll & Payroll Taxes	\$291,656	\$42,094	\$94,967	\$63,432	\$56,020	\$35,143
Security Services	\$76,924	\$3,887	\$25,196	\$19,232	\$17,765	\$10,844
Marketing & Special Events	\$24,100	\$6,135	\$7,134	\$3,881	\$4,879	\$2,071
Professional Fees	\$16,615	\$1,758	\$5,757	\$7,100	\$2,000	-----
Other (Maint., Postage, Insurance, etc.)	\$28,909	\$8,233	\$9,458	\$2,951	\$4,734	\$3,533
TOTAL	\$438,204	\$62,107	\$142,512	\$96,596	\$85,398	\$51,591

EXHIBIT 3

DISPOSITION OF ZOO ADMISSIONS NET REVENUES

o Animal Purchases:		\$99,598
o Special Medical Treatment for Animals:		\$760
o Exhibit Renovations/Repairs:		
- Tropical America	\$134,756	
- Mongoose	\$2,000	
- Lemur	\$11,000	
- Tree Kangaroo	\$2,200	
- Endangered Species	\$2,500	
- Sandhill Crane	\$1,300	
- Peccary	\$805	
- Flamingo	\$700	
- Sarus Crane	\$1,200	
- Polar Bear	\$4,813	
- Bongo	\$10,000	
- Sea Lion	\$5,200	
- Penguins	\$9,465	

		\$185,939
o Festivals, Special Events:		\$48,632
o Additional Security Services:		\$9,324
o Building Repairs:		\$47,589

(EXHIBIT 3 - CONTINUED)

o Site Improvements (lights, landscaping, sidewalks)	\$19,325
o Menagerie Store Fixtures & Kitchen Equipment	\$122,082
o Education Programs	\$57,000
o Zoo Brochures	\$27,450
o Graphics	\$6,900
o Zoo Marketing & Promotion	\$56,274
o Zoo Engineering Services, Borings, Utility Mapping	\$32,383
o Zoo Master Plan	\$62,233
o Zoo Survey	\$15,964
o Staff Training/Elephants	\$1,000
o General Operating Support (keeper uniforms, radios, utility repair, etc.)	\$26,859
o Fleet Loan Escrow Account	\$276,429
o Cash on Hand	\$99,195

TOTAL:	\$1,194,936

EXHIBIT 4

ROGER WILLIAMS PARK ZOO
 PHASE I IMPROVEMENTS
 PROJECT BUDGET/PROJECT COST

STATUS REPORT: 4/9/91

PROJECT/VENDOR	BUDGET	EXPECTED COST	CITY SHARE	RIZS SHARE	BALANCE OWED
MENAGERIE					
o Demolition/ Pasquazzi Bros. \$	120,124	120,124	120,124	0	0
o Renovation/ Nationwide Const.	1,271,500	1,318,029	1,108,130	209,900	0
AFRICA					
UTILITIES/ C. Pezza & Sons	197,540	325,389	153,015	172,374	0
AFRICA EXHIBIT					
o Construction/ Forte Bros.	4,277,273	4,525,000	0	4,525,000	338,000
o Restaurant Equip./ Jacob Licht	78,236	80,776	0	80,776	47,806
ARCHITECT & ENGINEERING/ Coe, Lee, Robinson & Roesch, Inc.					
	766,175	884,000	590,841	293,159	13,000
CONSTRUCTION MANAGEMENT/ Dimeo Const.					
	468,016	468,016	52,500	415,516	134,387
CAMPAIGN DEVELOPMENT/ INTEREST EXPENSES					
	500,000	500,000	209,634*	290,366	0
CONTINGENCY					
	321,136	0	0	0	0
TOTAL					
	\$8,000,000	8,221,334	2,234,244	5,986,090	533,193

*City share of this line item was for first year interest costs on a line of credit loan with Fleet National Bank. RI Zoo Society paid the interest costs directly to Fleet; then the City reimbursed the Zoo Society from the funds from the Park Improvement Fund (385 Fund).

RHODE ISLAND
ZOOLOGICAL
SOCIETY

April 17, 1991

Mrs. Nancy Derrig
Superintendent of Parks
Dalrymple Boathouse
Providence, Rhode Island 02904

Dear Nancy:

I received a copy of the letter David Dillon sent to you regarding the pending Providence Public Building Authority loan for the Plains of Africa Exhibit at Roger Williams Park Zoo.

On behalf of the Zoological Society and the Capital Campaign Committee, I would like to respond to Questions 7 and 8.

QUESTION 7

IF THE CITY APPROVES THE PBA BOND, HOW WILL THE ZOOLOGICAL SOCIETY MAKE UP THE FUNDS LOST FROM THE ADMISSION RECEIPTS WHICH WERE USED FOR ANIMAL PURCHASES, REPAIRS AND UNEXPECTED COSTS?

The Zoological Society raises money from a variety of sources: annual appeal, memberships, special events, and special fundraising grant requests. The Zoological Society is keenly aware of the importance to the Zoo of having a steady source of funds to finance mid-size projects and fund items which the City is unable to afford, including improvements to exhibits, and the purchase of animals. Should the gate funds be pledged to retire the PBA funds, the Zoological Society would redouble its efforts to raise funds in order to net the same annual dollars that the gate currently does, approximately \$500,000 per year. This of course is an ambitious plan, however, over the last few years we believe we have positioned ourselves to be able to tackle this goal with every expectation of success. For example, the Zoological Society memberships in the last two years have risen from 750 family members to 4500 family members, an increase of 600%. It is this type of dramatic increase in public appreciation and participation at the Zoo which encourages families to join the Zoological Society to show

Roger Williams Park Zoo
Providence, RI 02904
Tel 941-3910

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their continuing support for this extraordinary facility. We have every reason to expect that this dramatic increase in public support will continue and will result in many successful future fundraising efforts.

QUESTION 8

WHAT WILL ENCOURAGE THE ZOOLOGICAL SOCIETY TO CONTINUE TO RAISE FUNDS TO PAY OFF THE BOND VERSUS USING NEW DONATIONS FOR NEW PROJECTS?

The Zoological Society intends to use its remaining pledges and future capital gifts to the Africa Rhode Island Campaign to pay down the PBA loan as quickly as possible.

We are mindful of the fact, however, that while dramatic progress has been made, there are still areas of the Zoo that have been untouched for decades and in need of upgrading and improvement. It is the Society's intent to continue to assist the Zoo financially beyond the completion of this project. Finally, a long-term goal of the Society is to create a Roger Williams Park Zoo Endowment Fund, the proceeds of which can be used to supplement the City budget in the area of maintenance and exhibit improvements. It is this type of permanent and fruitful relationship which the Society wants to continue to develop with the Zoo and the City.


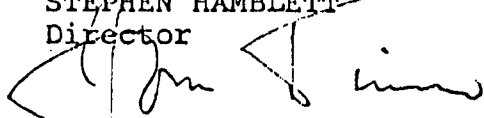
But perhaps a larger question needs to be addressed which is the nature and strength of the Society's commitment to Roger Williams Park Zoo. As you know, the sole purpose for the existence of the Zoological Society is to assist the Zoo in any way possible. For both the Zoological Society and the Parks Department, this has been an unique partnership with each side doing its best to provide a first rate recreational facility for the City of Providence and indeed for all of New England. While the economy may have slowed the Zoological Society timetable for meeting its financial goal, its commitment to the Zoo is no less strong or solid.

April 17, 1991

The restructuring of the finances for the African Exhibit, currently under consideration, benefits both the City and the Zoological Society. The Fleet Loan which is currently tied to the prime rate would be replaced by a tax-exempt PBA borrowing of approximately 3 interest percentage points less. Obviously, the difference will be a significant savings to the project. In addition, executing the PBA loan provides the Zoological Society and the Zoo with some much needed breathing space during which additional fundraising and cultivation efforts will take place so as to strengthen the Society's fundraising as the economy improves.

In summary, we are sensitive to the concerns of the Finance Committee and of the entire City Council. We'd like to assure you that the Zoological Society will continue its capital fundraising efforts, its first priority being to pay down the PBA loan, and we will redouble our internal fundraising efforts in order to compensate the Zoo for those funds now being dedicated to repayment of the PBA loan. In short, the Zoological Society affirms its 27-year commitment to Roger Williams Park Zoo.

We enthusiastically support this request for a PBA Loan.


STEPHEN HAMBLETT
Director
THOMAS DIMEO
Director

CO-CHAIRMEN
AFRICA RHODE ISLAND CAMPAIGN