

THE CITY OF PROVIDENCE
STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RESOLUTION OF THE CITY COUNCIL

No. 315

Approved July 18, 2005

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 may develop its projects only upon the request of the Mayor and 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 April 7, 2005 attached hereto (the "Proposal") which, among other things, requests the Authority and/or RIHEBC to use best efforts to finance the acquisition, construction, renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including but not limited to, a new high school and an indoor sports complex, including design and feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto (the "Projects"), and to issue bonds, notes, or other evidences of indebtedness (the "Obligations") in an amount not to exceed Forty-Two Million Dollars (\$42,000,000) to provide funding for the Projects.
2. That the City Council hereby authorizes the Mayor to negotiate and lease the Projects from the Authority and/or RIHEBC and to transfer such additional property to the Authority and/or RIHEBC as shall be necessary to secure the Obligations.
3. 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 transaction contemplated by the Proposal.
4. 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 Projects to the Committee on Finance of the City Council as such estimates become available.

IN CITY COUNCIL
APR 7 2005
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Michael R. Grant CLERK

Councilman Jackson, By Request

THE COMMITTEE ON

Finance

Recommends

Ann M. Steen
CLERK

4-28-05. Con'd
6-1-05. Schedule P. Hwy
6-27-05. P. Hwy held

THE COMMITTEE ON
FINANCE

Approves Passage of
The Within Resolution

Ann M. Steen
Clerk

6-27-05

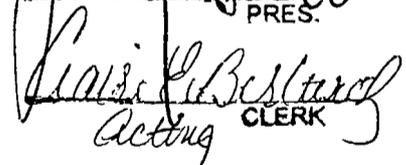
5. The City's Director of Finance is authorized to execute and deliver continuing disclosure certificates in connection with the Obligations issued by the Authority and/or RIHEBC, in such form as shall be deemed advisable by the City's Director of Finance. The City hereby covenants and agrees that it 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 Obligations, 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 mandate or specific performance by court order, to cause the City to comply with its obligations under this Resolution and under any continuing disclosure certificate.

6. This Resolution is an affirmative action of the City Council towards the issuance of the Authority's and/or RIHEBC's Obligations 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 Forty-Two Million Dollars (\$42,000,000) for certain capital expenditures for the 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 (a) the date on which the expenditure is paid or (b) the date the Projects are placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

7. With respect to the Project 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.

8. This Resolution shall take effect on passage.

IN CITY COUNCIL
JUL 7 2005
READ AND PASSED

PRES.

Acting CLERK

APPROVED
 7/18/05
MAYOR

Upcoming School Bond Issue

➤ **Debt to be Issued by Rhode Island Health & Educational Building Corporation (RIHEBC)**

- Borrower will be PPBA with proceeds loaned to the City

➤ **Projects for Proposed Bond Issue**

Project	Funding
New High School	\$16 mm
Fox Point Bath House	\$1 mm
Misc Repairs	\$12 mm
Sports Complex	\$7 mm
Project Total	\$36 mm

➤ **Proposed Bond Issue**

Proposed Par Amount	\$42 mm
Project Funds	\$36 mm
Reserve Fund	\$3 mm
Capitalized Interest (1 year)	\$1.5 mm
Insurance, UW, COI	\$1.5 mm

➤ **Projected Debt Service**

	DoE approves Sports Complex
Gross Annual Debt Service	\$ 3 mm
Net Debt Service After State Reimbursement	\$655,000
Total Debt Service over Life of the Issue (20 years)	\$13.2 mm

TIC 4.09%
Arbitrage Yield 3.96%



Executive Office, City of Providence, Rhode Island

DAVID N. CICILLINE
MAYOR

April 7, 2005

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

Robert Donovan
Executive Director
Rhode Island Health and Educational
Building Corporation
170 Westminster Street
Providence, Rhode Island 02903

Dear Messrs. Granoff and Donovan:

Section 45-50-10 authorizes any authority created pursuant to the Municipal Public Buildings Authorities Law 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.

Chapter 16-7 of the General Laws 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.

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 and/or RIHEBC to use best efforts to finance the acquisition, construction, renovation, repair, replacement, improvement, furnishing and equipping of schools and school facilities in the City, including but not limited to, a new high school and an indoor sports complex (the "Projects"), and to issue bonds, notes or other evidence of indebtedness (the "Obligations") in an amount not

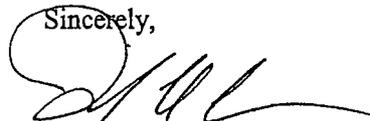
Lloyd Granoff
Robert Donovan
April 7, 2005
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to exceed Forty-Two Million Dollars (\$42,000,000) to provide funding for the Projects. The Authority and/or RIHEBC are further requested to obtain title to the real estate and improvements constituting the Projects or such additional property as shall be necessary to secure the Obligations and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Projects and to lease the Projects to the City for the benefit of the citizens of Providence.

The Authority and/or RIHEBC are requested to issue Obligations in the amount not to exceed Forty-Two Million Dollars (\$42,000,000) to provide funding for the Projects, to capitalize interest, if permitted, to pay the costs of issuance of the Obligations and such other expenses as may be necessary or incidental to the completion of the Projects.

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

Sincerely,



DAVID N. CICILLINE
Mayor of Providence