

RESOLUTION OF THE CITY COUNCIL

No. 413

Approved October 7, 2025

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, 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; and

WHEREAS, The Authority may develop its projects only upon the request of the Mayor approved by 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 August 29, 2025 attached hereto (the "Proposal") which, among other things, requests the Authority to use its best efforts to finance the acquisition, construction, repair, rehabilitation, replacement, furnishing, equipping and improvement of: (i) the Joseph A. Doorley, Jr. Municipal Building, located at 444 Westminster Street, Providence, Rhode Island, (ii) the WaterFire Arts Center, located at 475 Valley Street, Providence, Rhode Island, and (iii) other capital projects, including the design and feasibility, engineering or other studies which may be necessary in connection with such projects and any other acts necessary or incidental thereto (collectively, the "Projects") and to issue Bonds in an amount not to exceed Twenty-Five Million Dollars (\$25,000,000) plus original issue premium, if any, to provide funding for the Projects, to capitalize interest, at its option, to fund a debt service reserve fund and to pay the costs of issuance of the Bonds and such other expenses as may be necessary or incidental to the completion of the Projects; and

2. That the City Council hereby authorizes the Mayor to negotiate and lease the Projects from the Authority and to transfer such additional property to the Authority as shall be necessary to provide adequate security for the Bonds.

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, instruments, and papers, including tax compliance certificates, and amendments thereto, as they, in their sole discretion, may deem necessary or desirable to implement the transaction contemplated by the Proposal.

4. The City's Director of Finance is authorized to execute and deliver continuing disclosure certificates in connection with the Bonds, 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 Bonds, failure of the City to comply with any continuing disclosure certificate shall not be considered an event of default; however, any bondholder 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.

5. This Resolution is an affirmative action of the City Council towards the issuance of the Authority's Bonds 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 Twenty-Five Million Dollars (\$25,000,000) 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 Bonds, 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 each Project is placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.



6. With respect to the Projects authorized herein, to the extent that the construction of such Projects 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.

7. The Twenty-Five Million Dollars (\$25,000,000) Bonds described above may be issued in one or more series based upon funding efficiencies.

8. This Resolution shall take effect on passage.

IN CITY COUNCIL

OCT 02 2025
READ AND PASSED


RACHEL M. MILLER, PRESIDENT

CLERK

I HEREBY APPROVE.



Mayor

Date: 10/7/25



Mayor of Providence

Brett P. Smiley

August 29, 2025

Nicole Pollock, Chairperson
Providence Public Buildings Authority
444 Westminster Street
Providence, Rhode Island 02903

Dear Ms. Pollock:

Section 45-50-10 of the General Laws of the State of Rhode Island ("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.

Pursuant to Section 45-50-10, I hereby propose and request that the Providence Public Buildings Authority (the "Authority") use its best efforts to finance the acquisition, construction, repair, rehabilitation, replacement, furnishing, equipping and improvement of: (i) the Joseph A. Doorley, Jr. Municipal Building, located at 444 Westminster Street, Providence, Rhode Island, (ii) the WaterFire Arts Center, located at 475 Valley Street, Providence, Rhode Island, and (iii) other capital projects, including the design and feasibility, engineering, environmental or other studies which may be necessary in connection with such projects and any other acts necessary or incidental thereto (collectively, the "Projects"), and to issue bonds and/or notes in an amount not to exceed Twenty-Five Million Dollars (\$25,000,000) plus original issue premium to provide funding for the Projects. The Authority is further requested to obtain title to or other interest in the real estate, equipment and improvements constituting the Projects or such additional property as shall be necessary to secure the bonds or notes 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 is requested to issue its bonds and/or notes, in one or more series, in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,000) plus original issue premium, if any, to provide funding for the Projects, to capitalize interest, at its option, to fund a debt service reserve fund and 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 Projects.

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

Sincerely,


Brett P. Smiley
Mayor

City Hall, 25 Dorrance Street, Providence, RI 02903
Phone (401) 421-2489 Fax (401) 274-8240



Finance Committee Hearing

*“Resolution Authorizing the PPBA to issue bonds in accordance with the purposes of the laws of the State, for building Acquisition and Capital”
Projects.*

9/23/2025

444 Westminster - Summary

- The City currently leases this property for use by city operations. The term expires in Fiscal Year 2036 and would likely need to be renewed at that time.
- The annual lease cost is \$1.5 million per year, escalating by the higher of CPI or 3% a year. This cost includes custodial service but does not include building repairs or maintenance. The city spends approximately \$250,000 in additional management, maintenance and utility costs for this property.
- The City has paid \$14.7 million in base rent through fiscal year 2025, with a remaining \$18.5 million remaining in lease payments through fiscal year 2036.
- The proposed purchase price is \$18.5M

Additional Benefits

- The purchase reduces general revenue spend across departments to achieve budget savings
- Bond payments are equal or less than the rent payments but at the end of the term, the City owns the asset. The total cost of purchase will be \$7.5m less than renting the building over this period.
- Strategic capital investments can benefit the city in the long-term including:
 - Improved space utilization and relocation of city departments that would benefit from alternative space
 - Energy efficiency improvements to achieve carbon neutrality for the building
 - Investments in additional general repairs will benefit the City instead of the leaseholder
- Ensures the city maintains this downtown footprint at a time when we're making investments in Cathedral Square.

475 Valley Street- Summary

Recognizing that WaterFire is a critical cultural institution to the City, and in an effort to support the organization's future financial health, the City will acquire the WaterFire Arts Center and lease the building back to the organization for their use.

- The planned purchase price is \$3.75M. The average debt service on this borrowing is \$336,000/ year.
- The City will lease the building to WaterFire for its use for 20 years. WaterFire will pay for all of its operating expenses and will control the operations of the building. The lease is still being negotiated and will be provided to the Council for approval.



CITY OF PROVIDENCE
MAYOR BRETT P. SMILEY

To: Chairwoman Ryan
From: Courtney Hawkins
Cc: Gina Costa, Krystle Lindberg, Larry Mancini, Michael Napolitano, Sara Silveria
Date: September 23, 2025
Re: Property Acquisition Bonding Background

The purpose of this memo is to provide background related to the upcoming actions regarding the potential acquisition of two properties by the city. Please distribute this memo to members of the Council if it's helpful.

The resolution currently before the Council provides for the administration to move forward with the issuance of a \$25m bond to purchase two properties: 1) 444 Westminister (otherwise known as the "Doorley Building"), 2) 475 Valley Street (otherwise known as the "WaterFire Arts Center" . The total borrowing is projected to be spent as follows:

- \$18.5M – 444 Westminister acquisition
- \$3.75M – 475 Valley Street acquisition
- \$2.75M – Closing and borrowing costs, capital reserve fund for building improvements at 444 Westminister

This borrowing has been forecasted within the city's most recent debt capacity projection and can be accommodated within our projected debt service budget.

Background regarding 444 Westminister:

- The city currently leases this property for use by city operations. The term expires in Fiscal Year 2036 and would likely need to be renewed at that time.
- The annual lease cost is \$1.4 million per year, escalating by the higher of CPI or 3% a year. This cost includes custodial service but does not include building repairs or maintenance. The city spends approximately \$250,000 in additional management, maintenance and utility costs for this property.

- The City has paid \$14.7 million in base rent through fiscal year 2025, with a remaining \$18.5 million remaining in lease payments through fiscal year 2036. Total base rent on this property is \$32.5 million. The most recent allocation for rent expense is as follows:

Law	32%	\$	495,220.67
Planning	30%	\$	464,269.37
DIS	17%	\$	263,085.98
IT	7%	\$	108,329.52
ACT	5%	\$	77,378.23
HCO	5%	\$	77,378.23
Econ Dev	3%	\$	46,426.94
ARPA	1%	\$	15,475.65

- This property is property tax exempt based on the city's long term lease.
- The appraisal completed by the seller, using appropriate commercial appraisal methodologies, estimates the building value at \$22,400,000. The primary driver of the value of this appraisal, in addition to the value of the building, is the value of the city's lease and tax exemption.
- The table below summarizes the projected lease costs over time as compared to the projected borrowing costs for the building purchase, and the assigned costs of issuance and debt service reserve. In summary, the city will save \$7.6M by purchasing the property.

FY	Acquisition Cost	Rental Costs
2026	536,520.45	751,244.94
2027	1,067,112.50	1,547,564.58
2028	1,067,112.50	1,593,991.51
2029	1,783,737.50	1,641,811.26
2030	1,781,112.50	1,691,065.60
2031	1,781,612.50	1,741,797.56
2032	1,784,987.50	1,794,051.49
2033	1,781,237.50	1,847,873.04
2034	1,785,237.50	1,903,309.23
2035	1,781,862.50	1,960,408.50
2036	1,781,112.50	2,019,220.76
2037	1,782,737.50	2,079,797.38
2038	1,781,612.50	2,142,191.30
2039	1,782,612.50	2,206,457.04
2040	1,780,612.50	2,272,650.75
2041	1,785,362.50	2,340,830.28
2042	1,784,850.00	2,411,055.19
2043	1,783,856.25	2,483,386.84
2044	1,783,793.75	2,557,888.45
2045	1,784,400.00	2,634,625.10
2046	1,780,543.75	2,713,663.85
	\$34,762,026.70	\$42,334,884.65

Background regarding 475 Valley street:

- The space at 475 Valley street is currently owned by WaterFire and is known as the WaterFire Arts Center. In an effort to support WaterFire’s future financial health, the City will acquire WaterFire and lease the building back to the organization for their use.
- The planned purchase price is \$3.75M, equal to the building’s appraised value.
- The city will lease the building to WaterFire for it’s use for 20 years. WaterFire will pay for all of its operating expenses and will control the operations of the building. The lease is still being negotiated and will be provided to the Council for approval.
- The table below summarizes the cost of the borrowing associated with the purchase of this facility and the assigned costs of issuance and debt service reserve:

FY	Principal	Interest	Total
2026		\$103,716.77	\$ 103,716.77
2027		\$206,287.50	\$ 206,287.50
2028		\$206,287.50	\$ 206,287.50
2029	140,000.00	\$202,787.50	\$ 342,787.50
2030	150,000.00	\$195,537.50	\$ 345,537.50
2031	155,000.00	\$187,912.50	\$ 342,912.50
2032	165,000.00	\$179,912.50	\$ 344,912.50
2033	175,000.00	\$171,412.50	\$ 346,412.50
2034	185,000.00	\$162,412.50	\$ 347,412.50
2035	190,000.00	\$153,037.50	\$ 343,037.50
2036	200,000.00	\$143,287.50	\$ 343,287.50
2037	210,000.00	\$133,037.50	\$ 343,037.50
2038	225,000.00	\$122,162.50	\$ 347,162.50
2039	235,000.00	\$110,662.50	\$ 345,662.50
2040	245,000.00	\$98,662.50	\$ 343,662.50
2041	260,000.00	\$86,037.50	\$ 346,037.50
2042	275,000.00	\$72,318.75	\$ 347,318.75
2043	285,000.00	\$57,618.75	\$ 342,618.75
2044	300,000.00	\$42,262.50	\$ 342,262.50
2045	320,000.00	\$25,987.50	\$ 345,987.50
2046	335,000.00	\$8,793.75	\$ 343,793.75
	\$4,050,000.00	\$2,670,135.52	\$ 6,720,135.52

Next steps: Subsequent to passage of the Council resolution, the PPBA will consider final approval of this bonding with a vote during an October meeting. The Adminsitration team is working in parallel to prepare for both purchases to ensure we can move quickly once we have secured all relevant approvals. Completion of this process will then enable the team to move forward with a space planning process with a goal that the space in that building can be used more efficiently to solve some additional space issues faced by departments operating within that building and at City Hall.

Memorandum

To: Lawrence Mancini, Chief Financial Officer, City of Providence

From: Matthew Blais and Sean Fisher, HilltopSecurities

Date: September 17, 2025

RE: Preliminary Financing Summary - Providence Public Buildings Authority, Lease Appropriation Revenue Bonds, Series 2025 A&B

Introduction

The memo herein is a preliminary summary (subject to change) of the financing schedule, assumptions, and statistics related to the proposed Providence Public Buildings Authority (PPBA) Lease Appropriation Revenue Bonds, Series 2025 A&B.

Transaction Summary

The Series 2025 A&B Bonds are expected to be issued to finance: 1) the acquisition of the Joseph A. Doorley Jr. Municipal Building (located at 444 Westminster St); 2) the acquisition of the WaterFire Arts Center (located at 475 Valley St); 3) a capital buildings project repair reserve fund; 4) a debt service reserve fund (or a surety bond, as necessary); 5) a capitalized interest fund (if necessary); and 6) costs of issuance. The bonds will be issued in two series, with Series 2025 A expected to provide funds to acquire the Doorley Municipal Building and fund the capital buildings reserve fund, while Series 2025 B will provide funds to acquire the WaterFire property. Both series will be secured by a lease appropriation pledge of the City of Providence.

Sources:	Revenue Bonds, Series 2025 A	Revenue Bonds, Series 2025 B	Total
Bond Proceeds:			
Par Amount	20,950,000.00	4,050,000.00	25,000,000.00
Premium	1,223,689.60	236,631.70	1,460,321.30
SOURCES	22,173,689.60	4,286,631.70	26,460,321.30

Statistics:	
Dated Date	10/31/2025
First Interest Pmt	5/1/2026
First Principal Pmt	11/1/2028
Final Maturity	11/1/2045
All-In Cost	4.71%
Average Life (years)	12.847
Structure	Level Ann'l Debt Service
Annual Debt Service	\$2,130,000
Total Interest	\$16,482,162
Total Debt Service	\$41,482,162

Uses:	Revenue Bonds, Series 2025 A	Revenue Bonds, Series 2025 B	Total
Project Fund Deposits:			
Doorley Municipal Building Acquisition	18,500,000.00		18,500,000.00
Capital Building Reserve	932,806.65		932,806.65
WaterFire Property Acquisition		3,750,000.00	3,750,000.00
Other Fund Deposits:			
Debt Service Reserve Fund	1,785,362.50	347,412.50	2,132,775.00
Capitalized Interest Fund	536,520.45	103,716.77	640,237.22
Delivery Date Expenses:			
Cost of Issuance	314,250.00	60,750.00	375,000.00
Underwriter's Discount	104,750.00	20,250.00	125,000.00
Other Uses of Funds:			
Additional Proceeds		4,502.43	4,502.43
TOTAL USES	22,173,689.60	4,286,631.70	26,460,321.30

Hilltop Securities Inc. is providing the information contained in the document for discussion purposes as municipal advisor to the City of Providence, Rhode Island and the Providence Public Buildings Authority on its current transactions. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, supply, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of such changes in such assumptions may be material and could affect the projected results. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the market or no market may exist at all