

RESOLUTION OF THE CITY COUNCIL

No. 531

Approved November 12, 1992

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 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; and

WHEREAS, the City Council intends to incorporate the project described in the Mayor's proposal as a part of the City's "Project Plan" for purposes of the Tax Increment Financing Act, Chapter 33.2 of Title 45 of the General Laws; and

WHEREAS, the City Council desires that the Authority provide interim financing for the project described in the Mayor's proposal until such time as a tax increment financing can be completed;

NOW, THEREFORE, Be it resolved,

1. That the City Council hereby approves the Proposal of the Mayor dated October 9, 1992 (the "Proposal") which, among other things, requests the Authority to use its best efforts to develop the Community Facilities Project which shall include demolition, construction, renovation, rehabilitation and/or improvements and necessary furnishing and equipping of the following facilities:

PROJECT NAME	Estimated Capital Costs Source PPBA	Short term Financing and Costs of Issuance 1993-95	Estimated Annual Principal and Interest Beginning FY 1996	Estimated City Payments/ Proposed TIF share
Silver Lake Recreation Center	\$ 800,000- \$ 960,000	\$ 241,824	\$ 114,600 \$ 137,520	\$ 114,600- \$ 137,520
Children's Museum	\$ 2,000,000-	\$ 564,000	\$ 282,040	\$ 29,000
Headstart Center	\$ 900,000- \$ 1,080,000	\$ 274,567	\$ 129,202	\$ 100,000- \$ 120,000
Mount Hope Recreation Center	\$ 800,000- \$ 960,000	\$ 241,824	\$ 114,600	\$ 114,600- \$ 137,520
Ryan Post	\$ 475,000- \$ 570,000	\$ 146,750	\$ 68,392	\$ 68,392- \$ 82,070
School One	\$ 600,000- \$ 720,000	\$ 183,000	\$ 86,130	0
South Providence Center	\$ 1,000,000- \$ 1,200,000	\$ 305,000	\$ 143,550	\$ 143,550- \$ 172,260
West End Center	\$ 1,000,000- \$ 1,200,000	\$ 305,000	\$ 143,550	\$ 143,550- \$ 172,260
America Street School	\$ 400,000	\$ 100,000	\$ 55,000	\$ 55,000
TOTALS	\$ 7,975,000- \$ 9,090,000	\$2,361,965	\$1,137,064	\$ 768,692- \$ 905,630

Total indebtedness for all listed facilities: \$10,236,965-\$11,351,965
(Sum of Columns 1 and 2)

2. That the Authority shall process all request for bids for work through the Board of Contract and Supply provided, however, that the Authority shall select and approve all winning bids.

3. That the Authority shall submit an update on project costs to the Committee on Finance as the project proceeds.

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NOV 17 1992

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

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

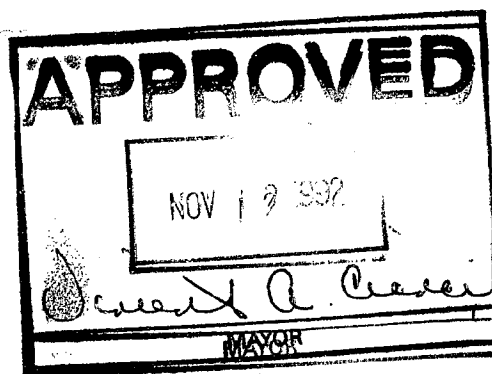
6. That the City Council hereby pledges sufficient tax increment revenues to pay any lease rentals to the Authority in connection with the Project.

7. 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.

8. That the City hereby declares its official intent pursuant to Treasury Regulation Section 1.103-18, if applicable, that the Authority will reimburse capital expenditures made by the City in connection with the Project, in an amount not to exceed the principal amount of the Authority's bonds and/or notes, provided, however, that such reimbursement must be made within, (a) one (1) year after the expenditure was paid or, (b) one (1) year after the property was placed in service.

This Resolution shall take effect on passage.

IN CITY COUNCIL
NOV 5 1992
READ AND PASSED
James P. Petrosenelli
PRES.
Michael R. Clement
CLERK



IN CITY COUNCIL
OCT 15 1992
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Councilman Delorge, by Request

Delorge

EXHIBIT A

A PROPOSED CAPITAL INVESTMENT PROGRAM

to be developed through the
PROVIDENCE PUBLIC BUILDING AUTHORITY

Prepared by the

CITY OF PROVIDENCE, RHODE ISLAND
Department of Planning and Development
400 Westminster Street
Providence, RI

Michael S. Van Leesten, Director

PROVIDENCE PUBLIC BUILDING AUTHORITY
PROPOSED CAPITAL INVESTMENT PROGRAM

Background:

Over the last year, the City and the Department of Planning and Development have been asked to provide funding for many neighborhood center and public facilities construction projects. Various projects have become prominent concerns to neighborhood residents and service providers as they realize that new or upgraded facilities are needed.

As the City moves to review, prioritize and fund some of these projects, many funding sources are available to the City including, the city budget, Providence Redevelopment Agency, the Community Development Block Grant, Tax Incremental Financing and the Providence Public Building Authority. The projects and the financing methods suggested in this report are limited to those which after preliminary analysis could be funded under the requirements of the PPBA as either bond anticipation notes or 20 year securities estimated to carry an interest rate of 7.5%.

After a preliminary review and discussion with members of the City Council and as a more detailed picture of the financial needs and strengths of various projects emerged, a series of projects was developed.

Nine projects are included, they are:

1. Mt. Hope Recreation Center
2. Silver Lake Gymnasium
3. South Providence Community Center
4. West End Center Gymnasium Addition
5. Children's Museum
6. Headstart/Berkshire Street School
7. School One
8. Ryan Post
9. America Street School

We have attempted to estimate and suggest what the fund raising capacity of various neighborhood/service centers might be and what ability projects may have to assist with long term debt service. We intend to refine these estimates at every step of the development process and encourage every agency to tap every possible source for funds.

We view the PPBA construction funding as a means to construct needed facilities quickly but we do not intend to use more of the long term debt mechanism than is absolutely necessary. By encouraging fund raising we will maximize the support, ownership and empowerment of each project sponsor while minimizing the long term debt required.

This proposal is really a series of challenges. Community centers and other agencies are challenged to make a step forward to raise funding to the greatest possible level. The City is challenged to use its funds in the most conservative and responsible manner and the City Council is challenged to make decisions that commit the City to long term financial obligations for vital projects. Yet, perhaps the most critical challenge is that shared by every party involved to provide the necessary operating funding for these new facilities.

Please note that these projects have been suggested because of the urgency for neighborhood services and readiness to proceed. There are several projects which are also extremely important but which are in different phases of development or which may be funded and accomplished in different ways.

Project Name: Children's Museum

Project Description:

One of the most exciting projects to be presented to the City is the development of a new Children's Museum facility in the India Point Park area. Attendance projections indicate 100-125,000 visitors per year .

The Department suggests that bond financing be used to fund the capital development costs of the new facility after evidence of success in fund raising. If preliminary estimates are proved accurate, the Museum could raise a large portion of its costs through private and public fund raising efforts .

A market feasibility study has recently been completed which shows a great level of interest from current members, non-members and visitors in the new India Point site.

A fund raising feasibility study will be completed within the next two months.

Total Cost: \$2,400,000 (bonded)
 \$1,500,000 (cash contribution)

Cost to City:

Debt: \$29,000/ year for 20 years
Represents City commitment of 10% of
capital costs.

Source: TIF

Operating Support: 0

Source: N/A

Financing: The Children's Museum would fund raise 90% of the capital costs of the new building. When 50% of the goal was raised in cash and 50% of the remainder is raised in pledges, bonds would be issued and construction started.

We estimate that all construction debt should be paid off in 5-7 years.

Schedule:

Fund Raising: 1993 - 1994

Construction: 1994

First Year of Budgetary Impact: 1995-1996

Project Name: Headstart / Berkshire Street School

Project Description:

This project involves the rehabilitation of a closed school building for use by the Providence Headstart Program for early childhood education and intervention programming. The rehabilitation of the now boarded building located on Berkshire Street (Plat 70 Lot 565) will eliminate a blight in the neighborhood as well as make needed additional space available to the Headstart program.

The agency will be asked to provide approximately \$30,000 in debt service payments and the City will provide the balance. No operating support is anticipated.

Total Cost: \$900,000 - \$1,080,000

Cost to City: Debt:
Approximately 75% of the total debt costs over 20 years or \$100,000/year.

Source: TIF

Operating Support : 0

Source: N/A

Financing: PPBA bonds would be used to finance the acquisition and rehabilitation of this school building. The Headstart program can pay approximately \$25-30,000 each year towards the total debt service of \$121,000. The balance of the debt service would come from a yearly allocation from the Manchester Street TIF proceeds.

Schedule:

Rehabilitation 1992-1993

First Year of Budgetary Impact: 1993/1994

Project Name: Mt.Hope Neighborhood Recreation Center

Project Description:

We suggest financing construction of a recreation/multi-service center for the Mt. Hope neighborhood including a recreation facility and program space. The most likely site is an addition to the existing YMCA on Hope Street.

The Mt. Hope neighborhood is currently not served by sufficient program and recreation space. Although several agencies provide some services none fully serves the needs of the neighborhood especially of younger neighborhood population.

We believe that the agencies involved in the development of this facility have some limited capacity to raise both construction and operating funds. If some portion of the total cost of the facility could be privately raised, the City support would be called on for the balance of the debt service and additional operating support.

Total Cost: \$800,000 - \$960,000

Cost to City: Debt:
\$114,600 /year for 20 years

Source: TIF

Operating: \$50,000-\$75,000 yearly
operating support

Source: General Fund

Financing: PPBA bonds would be used to finance the construction of this neighborhood facility with as much financial participation as possible from neighborhood/agency fund raising.

We believe that some operating support will be necessary so that the new gymnasium facility can fully serve the neighborhood.

We estimate that this operating support would be \$50,000-\$75,000 in each year of operation.

Schedule:

Fund Raising - 1993

Construction - 1994

First Year of Budget Impact: 1994/1995

Project Name: Ryan Post/Rehabilitation /Demolition

Project Description:

The Ryan Post is a prominent although deteriorated neighborhood landmark located on Atwells Avenue. For many years the City has been working with a dedicated neighborhood committee attempting to develop reuse plans and financing for the building. Although we still hope to find such a use, we must also recognize that demolition of the structure and reuse of the site for recreation space, parking or open space may be an appropriate alternative.

Total Cost: \$475,000 - \$570,000/demolition or renovations

Cost to City: Debt: \$68,392/ year for 20 years

Source: TIF

Operating: 0

Source: N/A

Financing: The PPBA would use bonds to renovate or demolish the existing building and create a neighborhood facility, open space or parking area.

Schedule:

Demolition/Construction: 1993

First Year of Budgetary Impact: 1995-1996

Project Name: School One - Acquisition

Project Description:

School One, a successful alternative learning program for local youth is interested in the purchase and rehabilitation of a downtown building. Additional space for School One would allow program expansion and greater numbers of students.

The City intends to use PPBA financing to acquire the facility for School One.

Total Cost: \$600,000

Cost to City: Debt: 0

Operating: 0

Source: N/A

Financing: The PPBA would use bonds to acquire the facility. Through fund raising and operating revenues, School One would provide necessary operating funds and debt service. Mayor Cianci has committed to suggest a grant for the first four years of operation in the amount of \$40,000/year from the CDBG budget.

Schedule:

Acquisition: 1993/1994

First Year of Budgetary Impact: 1995-1996

Project Name: Silver Lake/Neutakonkanut Recreation facility

Project Description:

Construction of an indoor gymnasium and recreation facility in the Neutakonkanut Park area offering complete recreation services to the Silver Lake community. A City recreation center requiring that the City provide the entire debt service costs over 20 years as well as accept additional operating cost.

Total Cost: \$800,000 - \$960,000

Cost to City: Debt: \$114,600 year for 20 years

Source: TIF

Operating: \$50,000-\$100,000 yearly
operating support

Financing: The Silver Lake Center would be built and operated as a City recreation center. At least 85-90% of the total cost will be public with a minimal contribution from the community and affiliated agencies.

Schedule:

Construction: 1992 - 1993

First Year of Budgetary Impact: 1995-1996

Project Name: South Providence Community Center

Project Description:

A new community center will be built as part of the development of housing units known as Mandela - Woods. These new affordable housing opportunities will bring many children and families to the lower South Providence neighborhoods. These individuals will need the services of a full size community center including, recreation and community space, after school recreation programs and possible senior citizens programming. The development of the center is subject to the development of the housing units.

Total Cost: \$1,000,000 - \$1,200,000

Cost to City: Debt: \$143,550/ year for 20 years

Source: TIF

Operating: \$100,000-\$125,000 /year

Source: General Fund

Financing: The PPBA would use bonds to construct the facility and City funds would be used to provide the operations funding. Little possibility is seen for significant fund raising for the facility.

Schedule:

Construction: 1995/1996

First Year of Budgetary Impact: 1996-1998

Project Name: West End Community Center Addition

Project Description:

The West End Community Center located on Bucklin Street is heavily used and often the demand for facilities at the Center exceeds the available capacity. With a strong day care program, senior and youth programs, and a growing need for community based services in the neighborhood, we are suggesting that an additional facility be constructed as an addition to the existing facility for program/recreation space. The facility is estimated to cost \$1,000,000. We estimate that the Center might raise as much as 15-20% of the total cost.

Total Cost: \$1,000,000 - \$1,200,000

Cost to City: Debt: \$143,550 / year for 20 years

Source: TIF

Operating: \$75,000-\$100,000 yearly
operating support

Source: General Fund

Financing: The West End Community Center would attempt to raise some of the total cost of the building. PPBA bonds would be used to construct the facility. The West End Community Center would be asked to make every effort to secure additional operating funds for the expanded facility.

Schedule:

Fund Raising: 1993

Construction: 1994

First Year of Budgetary Impact: 1995-1996

Project Name: America Street School Demolition

Project Description:

The former America Street School which has been closed and blighted for several years will be demolished and the site will be used for a neighborhood parking facility..

Total Cost: \$400,000 /demolition and site improvements

Cost to City: Debt: \$55,000/ year for 20 years

Source: TIF

Operating: 0

Source: N/A

Financing: The PPBA would use bonds to demolish the existing building and create a neighborhood parking area.

Schedule:

Demolition/Construction: 1993

First Year of Budgetary Impact: 1995-1996

Exhibit A - Community/Neighborhood Facilities Projects

Assumes: Short term financing (BANs) to bring the first year of long term debt impact (TIF) to 1995-96.

PROJECT NAME	Estimated Capital Costs Source PPBA	Short term Financing and Costs of Issuance 1993-95	Estimated Annual Principal and Interest Beginning FY 1996	Estimated City Share of debt service/ Proposed TIF share
Children's Museum	\$ 2,000,000-	\$ 564,000	\$ 282,040	\$ 29,000
Headstart	\$ 900,000- \$ 1,080,000	\$ 274,567	\$ 129,202	\$ 100,000- \$ 120,000
Mount Hope Rec.Center	\$ 800,000- \$ 960,000	\$ 241,824	\$ 114,600	\$ 114,600- \$ 137,520
Ryan Post	\$ 475,000- \$ 570,000	\$ 146,750	\$ 68,392,	\$ 68,392- \$ 82,070
School One	\$ 600,000- \$ 720,000	\$ 183,000	\$ 86,130	0
Silver Lake Rec. Ctr.	\$ 800,000- \$ 960,000	\$ 241,824	\$ 114,600	\$ 114,600- \$ 137,520
South Prov. Center	\$ 1,000,000- \$ 1,200,000	\$ 305,000	\$ 143,550	\$ 143,550- \$ 172,260
W. End Ctr.	\$ 1,000,000- \$ 1,200,000	\$ 305,000	\$ 143,550	\$ 143,550- \$ 172,260
America St. School	\$ 400,000-	\$ 100,000	\$ 55,000	\$ 55,000
TOTALS	\$ 7,975,000- \$ 9,090,000	\$2,361,965	\$1,137,064	\$ 768,692 \$ 905,630

Total indebtedness for all listed projects: \$10,236,965-\$11,351,965
(Sum of Columns 1 and 2)

The first column shows possible ranges of building costs using a 20% cost increase factor and the corresponding cost increase in the City share of debt service (TIF share) Other columns show the estimated short and long term debt service costs using the low estimate of the building cost range.

EXHIBIT B - Required Operating Support
Community Facilities Projects

Project Name	Operating Support from General Fund	First Year Needed
Children's Museum	0	
Headstart	0	
Mt. Hope Center	\$ 50-75,000	1994-95
Ryan Post	0	
School One ¹	0	
Silver Lake Center	\$ 50-100,000	1995-96
South Providence Community Center	\$100-125,000	1996-97
West End Center	\$ 75-100,000	1995-96
America Street School	0	
TOTALS	\$275-400,000	

¹ Funds in the amount of \$40,000/year for the first five years of operations in the new facility have been suggested from the CDBG resource for assistance with debt service.



Executive Chambers, City of Providence, Rhode Island

VINCENT A. CIANCI, JR.
MAYOR

October 9, 1992

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

Dear Board Members:

Section 45-50-10 authorizes any authority created pursuant to the Municipal Public Buildings Authority 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 develop the Community Facilities Project which shall include the demolition, construction, renovation, rehabilitation and/or improvements and necessary furnishing and equipping of community recreation centers to be located in the Silver Lake, Mount Hope, South Providence, and West End areas of the City, of a Children's Museum to be located in the City, of a Headstart Center proposed to be located at the Berkshire Street School, of the Ryan Post located on Atwells Avenue, demolition of the former America Street School on America Street, and of School One, an alternative school, proposed to be located in the downtown district (the "Project"). The Authority is further requested to lease the Project to the City, and to cooperate with the City in maintaining and operating the Project for the benefit of the citizens of Providence.

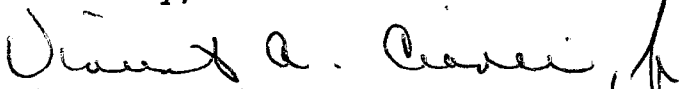
The Authority is requested to issue its Bonds and/or Notes in an amount not to exceed Eleven Million Five Hundred Thousand Dollars (\$11,500,000) to provide funding for the Project, to capitalize interest, to pay the costs of issuance for the Bonds and/or Notes and such other expenses as may be necessary or incidental to the completion of the Project.

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

Providence Public Buildings Authority
October 9, 1992
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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

APPROVED BY THE CITY COUNCIL ON THE

9th DAY OF October, 1992.


CITY COUNCIL PRESIDENT