

RESOLUTION OF THE CITY COUNCIL

No. 489

Approved September 11, 1984

RESOLUTION AUTHORIZING THE OFFICE OF ECONOMIC
DEVELOPMENT ON BEHALF OF THE CITY OF PROVIDENCE
TO PREPARE AND SUBMIT AN APPLICATION FOR AN
URBAN DEVELOPMENT ACTION GRANT, AS AMENDED

WHEREAS, the filing of Urban Development Action Grants by the City of Providence is authorized by Title I, Section 119, Part 570, Subpart G, of the Housing and Community Development Act of 1974, as amended by Section 110 of the Housing and Community Development Act of 1977, and as finalized on January 10, 1978; and or subsequently amended; and

WHEREAS, the aforesaid Federal regulations authorize the Department of Housing and Urban Development to make grants to assist distressed cities and distressed urban counties in revitalizing their economic bases and reclaiming deteriorated neighborhoods by means of public and private sector cooperation; and

WHEREAS, the City of Providence deems it necessary and in the public interest (1) to revitalize its commercial and retail sectors, (2) to increase employment opportunities in the City, (3) to increase the City's tax base, (4) to encourage the cooperation of the public and private sectors to achieve these goals; and

WHEREAS, the City of Providence deems it appropriate to contribute to the aforementioned efforts by assuring the attraction, retention, and expansion of commerce especially in areas where revitalization is underway, and by arranging for financial support for such private business development projects; and

WHEREAS, Urban Development Action Grants are available for the activities and undertakings proposed herein.

NOW, THEREFORE, BE IT RESOLVED by the CITY COUNCIL of the CITY OF PROVIDENCE as follows:

1. It is hereby found necessary and in the public interest to file an application to the Department of Housing and Urban Development

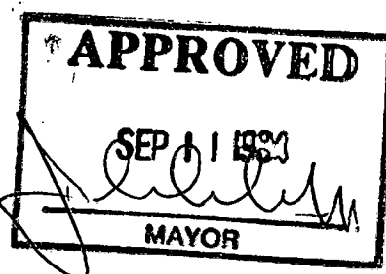
for an Urban Development Action Grant for the repairs and renovation to the Biltmore Hotel to permit continued commercial use and maintain an important downtown landmark. Action Grant funds shall be loaned to the owners, Biltmore Associates, who shall undertake said rehabilitation of property at 11-17 Dorrance Street on Kennedy Plaza.

2. The Office of Economic Development is hereby authorized and designated as the representative of the City for filing the application with the Department of Housing and Urban Development, and to do all work necessary to carry out the terms of the contract between the City and the Department of Housing and Urban Development relative to said Urban Development Action Grant.

3. That the United States of America and the Department of Housing and Urban Development be, and they are hereby assured of full compliance by the City of Providence with all regulations of the United States government effectuating the receipt of Federal Grants under the Housing and Community Development Act, as amended.

4. That the applicant Biltmore Associates understands that they may be required to meet the requirements of the Ordinance presently being considered by the Providence City Council known as the Providence Residents Job Policy with any and all amendments that may be included in said Ordinance prior to passage into law.

IN CITY COUNCIL
SEP 6 1984
READ AND PASSED
James A. Stewart PRES.
Joseph M. Mendonca CLERK



READ AND PASSED
BY CITY COUNCIL

1984

2001-1984

IN CITY COUNCIL
AUG 2 1984
FIRST READING
REFERRED TO COMMITTEE ON

URBAN REDEVELOPMENT
RENEWAL & PLANNING

Rose M. Mendonca CLERK

THE COMMITTEE ON
URBAN REDEVELOPMENT
RENEWAL & PLANNING

Approves Passage of
The Within Resolution

as amended

Rose M. Mendonca
Clerk Chairman

August 14, 1984

Councilman Glenn Councilman Dillon and Councilwoman Targnoli (By Request)



PROVIDENCE OFFICE OF ECONOMIC DEVELOPMENT

Joseph R. Paolino, Jr.

~~XXXXXXXXXXXX~~
MAYOR

Roger F. Giraud

~~XXXXXXXXXXXX~~
DIRECTOR

July 31, 1984

Ms. Rose Mendonca
City Clerk
City Hall
Providence, RI 02903

Dear Ms. Mendonca:

I am enclosing a resolution for submission to the City Council which will authorize the Office of Economic Development to prepare and submit an application for Federal funds for the purpose of assisting with the financing of the renovation of the Biltmore Hotel in the Downtown.

The application will be made to the Department of Housing and Urban Development for an Urban Development Action Grant, a program which is designed to provide financial assistance to private entities which offer substantial economic benefits in distressed urban areas and which otherwise could not proceed with development plans without that assistance.

The Office of Economic Development supports this project for the new opportunities for employment created or preserved and the new tax revenues to be generated for the City. Thus, we feel that this Action Grant is extremely important both for the developers and the City. I would appreciate the expeditious presentation of this resolution to the City Council for approval.

Sincerely,

Roger F. Giraud
Director

RFG/rvf

Enclosure



CITY OF PROVIDENCE, RHODE ISLAND
An Application For
Urban Development Action Grant Funding
To Assist the
Revitalization of the Biltmore Hotel

Joseph R. Paolino, Jr.
Mayor

July 31, 1984

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FEDERAL ASSISTANCE			2. APPLICANT'S APPLICATION		a. NUMBER		3. STATE APPLICATION IDENTIFIER		a. NUMBER	
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION (Mark appropriate box) <input type="checkbox"/> NOTIFICATION OF INTENT (Opt) <input type="checkbox"/> REPORT OF FEDERAL ACTION			b. DATE Year month day 19 84 7 31		b. DATE Year month day 19 84 7 31		b. DATE Year month day 19 84 7 31		b. DATE Year month day 19 84 7 31	
4. LEGAL APPLICANT/RECIPIENT			5. FEDERAL EMPLOYER IDENTIFICATION NO.		6. PROGRAM (From Federal Catalog)		a. NUMBER		b. TITLE	
a. Applicant Name : City of Providence, Rhode Island b. Organization Unit : Providence Office of Economic Development c. Street/P.O. Box : City Hall d. City : Providence e. State : Rhode Island f. Contact Person (Name & telephone No.) : Roger Giraud (401) 274-5200			e. County : g. ZIP Code: 02903		a. NUMBER : 14 • 2111 b. TITLE : URBAN DEVELOPMENT ACTION GRANT					
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT			8. TYPE OF APPLICANT/RECIPIENT		9. TYPE OF ASSISTANCE		10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.)		11. ESTIMATED NUMBER OF PERSONS BENEFITING	
Revitalization of the Biltmore Hotel The Biltmore Hotel will be acquired and modernized into 289 rooms to attract visitors to the downtown			A-State B-Interstate C-Substate D-District E-City F-School District G-Special Purpose District H-Community Action Agency I-Higher Educational Institution J-Indian Tribe K-Other (Specify): Enter appropriate letter <input checked="" type="checkbox"/> E		A-Basic Grant B-Supplemental Grant C-Loan D-Insurance E-Other Enter appropriate letter(s) <input type="checkbox"/> <input type="checkbox"/>		Providence, Rhode Island		156,804	
12. TYPE OF APPLICATION			13. PROPOSED FUNDING		14. CONGRESSIONAL DISTRICTS OF:		15. TYPE OF CHANGE (For 12c or 13e)		16. PROJECT START DATE Year month day	
A-New B-Renewal C-Revision D-Continuation E-Augmentation Enter appropriate letter <input checked="" type="checkbox"/> A			a. FEDERAL \$ 2,050,000 .00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER 14,425,000 .00 f. TOTAL 16,475,000 .00		a. APPLICANT 1 b. PROJECT 1 16. PROJECT START DATE Year month day 19 84 10 1 17. PROJECT DURATION 12 Months 18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY Year month day 19 84 7 31		A-Increase Dollars B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation F-Other (Specify): Enter appropriate letter(s) <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>			
20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)			21. REMARKS ADDED		22. THE APPLICANT CERTIFIES THAT		23. CERTIFYING REPRESENTATIVE		24. AGENCY NAME	
Department of Housing and Urban Development, Boston Area Office			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved. (*1)		b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached:		25. APPLICATION RECEIVED Year month day 19 84 7 31	
(1) State of Rhode Island (pending) (2) (3)			<input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		a. TYPED NAME AND TITLE Joseph R. Paolino, Jr. Mayor		b. SIGNATURE ✓		c. DATE SIGNED Year month day 19 84 7 31	
26. ORGANIZATIONAL UNIT			27. ADMINISTRATIVE OFFICE		28. FEDERAL APPLICATION IDENTIFICATION		29. ADDRESS		30. FEDERAL GRANT IDENTIFICATION	
31. ACTION TAKEN			32. FUNDING		33. ACTION DATE Year month day		34. STARTING DATE Year month day		35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number)	
<input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. DEFERRED <input type="checkbox"/> e. WITHDRAWN			a. FEDERAL \$.00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER .00 f. TOTAL \$.00		19		19		36. ENDING DATE Year month day 19 84 7 31 37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No	
38. FEDERAL AGENCY A-95 ACTION			39. COMMENTS RECEIVED FROM CLEARINGHOUSES		40. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)					
a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made.			b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)							

(*1) Subject to conditions set forth in Part IV of Application, Paragraph 5, Page 47.

SUMMARY OF THE PROJECT AND ITS PARTICIPANTS

The City of Providence is applying for a \$2,050,000 Urban Development Action Grant to assist the revitalization of the Biltmore Hotel.

The amount of \$2,000,000 will be loaned to the development partnership by the City. The City administrative costs of \$50,000 are proposed to be in the form of a grant from the Department of Housing and Urban Development.

The Biltmore Hotel, one of the dominant buildings in Downtown Providence was partially rehabilitated in 1977. This initial rehabilitation of the lobby, exterior, and public spaces was not sufficient, however, to afford economic viability. The older small rooms must be expanded and the bathrooms modernized to provide the first class lodging facilities needed to attract business travelers to Downtown Providence from the outlying newer motels.

The General Partners of Providence Hotel Associates are (1), MHW Company, including Mr. James R. Winoker, President of the Chamber of Commerce, Domenic A. Zinni, and Bruce G. Sundlun, (2) a subsidiary of the Providence Journal Company and (3) the Dunfey Hotels Corporation. They have acquired the property from the former owners and the banks which had assumed control of the property.

The partnership will expend a total of \$16,475,000 to acquire and modernize the Biltmore as follows:

Acquisition	\$ 7,550,000
Renovation	<u>8,925,000</u>
TOTAL	\$16,475,000

Financing will be obtained as follows:

UDAG	\$ 2,000,000
IRB	9,500,000
Syndication Proceeds	2,675,000
Developer Equity	<u>2,300,000</u>
TOTAL	\$16,475,000

The 330 to 350 jobs saved by this project will produce a ratio of UDAG dollars per job of \$6,601 to \$5,714.

Cumulative UDAG loan payments made by the development partnership to the City of Providence will total \$3,009,000 over fifteen years.

The ratio of UDAG dollars to private investment is 4.08 to 1.

DESCRIPTION OF THE PROPOSED PROJECT
PROBLEMS AND OBJECTIVES

As part of its downtown revitalization program, the City of Providence in conjunction with leaders of the business community, has been attempting to attract business and tourist visitors to the Downtown. The focal point of that program has been the revitalization of the Biltmore Hotel, a national historic landmark located at Kennedy Plaza. The initial restoration undertaken in 1977 rehabilitated the exterior facade and the public spaces. This partial restoration was not sufficient to create an economically viable property. Travelers, especially businessmen, preferred the newer more modern motels on the outskirts to the small rooms with antiquated plumbing at the Biltmore.

The revitalization of the Biltmore and the completion of the proposed convention center as part of the Capital Center Project should provide a significant impetus for the rejuvenation of downtown commercial activity in Providence. The additional major goal of the City's downtown development program is to encourage new office and parking development to replace the jobs lost in the manufacturing sector.

DETAILED PROJECT DESCRIPTION

The following revitalization program was prepared by the Dunfey Hotel Corp. based on their extensive experience in managing older hotel properties. The program calls for the substantial refurnishing of all guest rooms and the conversion of 50 standard and 30 superior rooms into 40 new deluxe rooms.

The purpose of the rooms consolidation project is to increase the number of deluxe rooms in the hotel, in order to make the hotel more marketable for the less price-sensitive market segments. Ten of the new deluxe rooms will be made from 2 standard rooms that exist side-by-side off the elevator landings on the 4th, 5th, 6th, 12th and 16th floors. The remaining 30 deluxe rooms will be made from existing standard and superior rooms on the 6th and 12th floors. Each conversion will be done at a cost of approximately \$20,000. Included in this cost are new case goods (night stands, desks, chairs, sleep sofas, coffee tables, etc.) and all new soft goods (drapes, carpet, vinyl, bedspreads, etc.)

Unlike the current deluxe rooms which would make use of the existing furniture, there is very little furniture in the rooms to be consolidated that could be reused in the new deluxe rooms. Therefore, these rooms will become, because of the new decor and furnishings in the rooms, somewhat higher in quality than the existing deluxe rooms and will be marketed as such to the very top end of the Providence market. Also included in the cost of the renovation is a new marble bath, giving the newly

configured bathroom a more spacious feeling and the person using the sink, privacy from the bathroom. These new deluxe rooms, like the existing deluxe rooms, would have a seating area with a sofa, two lounge chairs, a coffee table and planters; and a sleeping area with two queen size beds. The TV will be located on a stand so that it can be viewed from either the seating area or the bed area. A small wet bar will be constructed in the area just off the seating area near the newly created vanity. The furnishings and decor in this room will be residential in feeling and high in quality.

The lobby element costing \$421,250 will restore the lobby in a way that would suggest its original elegance. Greater emphasis would be placed on the Adamesque architectural-style, with particular attention to the ceiling and decorative molding work on all three levels. The colors will be softened through the use of a different wall treatment and new carpet and drapes. The front desk will be somewhat changed in order to make it more welcoming and hospitable. Appropriate furniture will be added to make the lobby a more comfortable place.

The corridor project costing \$250,000 would include, in addition to carpeting and furnishings in the elevator landings, new carpet and new lighting fixtures in the existing corridors. Upgraded wall treatment has already been achieved and it is not recommended at this time, that this be done.

The \$150,000 scheduled for the roof top restaurant, L'Apogee, would be used to substantially change the decor treatment of that room. This would further enhance the ability to remarket

and rename the restaurant and therefore, remarket the hotel. While a hotel like the Biltmore does require an elegant dining room, it is felt that L'Apogee and all that it has represented has "overshot the mark".

B-2 Preliminary Information

	Yes	No
(a) Have citizen participation hearings been held?	<u>X</u>	—
(b) Is the environmental level of clearance finding complete?	—	<u>X</u>
Date of Clearance Finding <u>8/30/84</u>		
(c) Does the project require an Environmental Impact Statement?	—	<u>X</u>
(d) Is an environmental review complete?	—	<u>X</u>
Date _____		
(e) Is the project in a designated flood hazard area?	—	<u>X</u>
(f) Will historic properties be affected?	—	<u>X</u>
Although the property is on the National Register of Historic Places, no exterior renovation is contemplated.		
(g) Will the proposed project result in the relocation of industrial or commercial facilities from one jurisdiction to another?	—	<u>X</u>
(h) Does the applicant have any unresolved issues arising from civil rights compliance reviews or previous CDBG conditions relating to fair housing issues, citizen participation allegations, lawsuits, or other allegations against the proposed or any other federally assisted project (or funding) administered by the applicant?	—	<u>X</u>
(i) Will the project for which the assistance is requested directly cause the displacement of individuals, families, businesses or farms?	—	<u>X</u>

DESCRIPTION OF THE PROPOSED SITE
AND OWNERSHIP

The Biltmore Hotel originally built in the 1920's is a twelve (12) storied structure comprising 329 rooms. The site bounded by Dorrance, Washington, and Eddy streets is located across from City Hall on Kennedy Plaza. The site comprises 22,272 square feet. The partnership has also purchased the adjacent parking lot comprising 16,851 square feet. The property was acquired by Providence Hotel Associates in July from Biltmore Hotel Associates for \$1 accompanied by an assumption of the outstanding first mortgage held by Fleet National Bank which has a current balance of approximately \$8,100,000 and a second mortgage held by the Economic Development Administration which is being purchased for \$550,000. Upon refinancing the first mortgage will be reduced to \$6,500,000.

UDAG FORM (2b)

ALLEVIATION OF PHYSICAL DISTRESS

COMMERCIAL/INDUSTRIAL PROJECTS*

	(A) New Construction	(B) Rehabilitation	(C) Historic Restoration
Number of Buildings	_____	_____	1
Total Square Footage	_____	_____	322,000

INFRASTRUCTURE FOR COMMERCIAL/INDUSTRIAL PROJECTS (WHERE APPLICABLE)

	Linear Feet of New Pipe	Linear Feet of Pipe Replaced	Capacity Added
A. Water	_____	_____	_____
B. Sewer	_____	_____	_____
C. Sanitary	_____	_____	_____

NOT APPLICABLE

*This form constitutes the response to Part III. Section B3.

DEVELOPER

The hotel was recently acquired by a newly-created Rhode Island limited partnership to be known as "Providence Hotel Associates". That partnership will have three general Partners (1) MHW Company, (2) a subsidiary of Aer Lingus - Dunfey Corporation which, through another subsidiary, currently manages the hotel and (3) a subsidiary of the Providence Journal Company. In addition the limited partnership will have a number of individual limited partners who will be purchasing limited partnership interests for an aggregate purchase price of approximately \$2,675,000. Substantially all of the equity interests in partnership profits, tax credits and other tax benefits will be owned by these limited partners until such time as the hotel is refinanced or sold.

MHW Company's sole shareholders are Messrs. James R. Winoker, a long-time partner and business associate of his, Domenic A. Zinni of Narragansett, Rhode Island and Bruce G. Sundlun, a prominent Rhode Island civic leader and President of the Outlet Communications, Inc., a subsidiary of Rockefeller Center, Inc.

The developer contact person is:

Mr. James R. Winoker, President
B.B. Greenberg Company
333 West River Street
Providence, Rhode Island 02904
401-272-6100

CONSULTANTS

MHW Company is being assisted in the planning, and preparation of the UDAG application by Urban Consulting Associates of Boston, Inc. (UCB). UCB has assisted in the preparation of this UDAG application on a fixed fee basis.

Contact person at UCB is Robert T. Kenney, President at 150 Causeway Street, Boston, MA 02114. Telephone number is 617-742-6640.

No elected officials, city employees, or their families are a party to any of the transactions involved in the proposed project.

THE APPLICANT

The Providence Office of Economic Development (POED) was established in 1979 in recognition of the need to co-ordinate and administer an efficient and effective comprehensive economic development program in Providence. The office currently maintains four divisions and has a staff of fourteen.

The office has successfully managed previous UDAG awards. The contact person is the Director:

Roger Giraud - Director
Providence Office of Economic
Development
77 Washington Street
Providence, Rhode Island 02903
401-274-5200

SOURCES AND USES OF FUNDS

The total development cost of the Biltmore revitalization project as set forth in Exhibit 7 . Estimated Development Costs will be \$16,475,000. The project will be financed as follows:

Industrial Revenue Bonds	\$9,500,000
Limited Partner Syndication	2,675,000
Developer Equity	2,300,000
UDAG Loan	<u>2,000,000</u>
Total	\$16,475,000

The industrial revenue bonds will be purchased by the Connecticut Bank and Trust Company, NA as indicated in their commitment letter Exhibit 3. The contact person is Donna M. Pellegrini, telephone number 203-244-5000. The limited partner syndication will be undertaken by Tucker, Anthony and R.L. Day, Inc. as outlined in their commitment letter Exhibit 4. The contact person is R. Park Palmer, telephone number 401-456-9100. The commitment of MHW company to invest (\$2,300,000) in the project is set forth in Exhibit 5, the "but for" letter.

The Rhode Island Industrial Facilities Corporation has approved the issuance of the industrial revenue bonds, in accordance with the Providence Hotel Associates application - Appendix A, as indicated by the Certificate of Vote Exhibit 6.

The ratio of private investment to UDAG dollars is 4.08 to 1 calculated as follows:

Total Private Investment	\$14,475,000
Less Acquisition	7,550,000
Plus Present Value of UDAG Repayment	1,232,741
Total	<u>\$ 8,157,741</u>
UDAG Funding	\$ 2,000,000
Ratio UDAG to Private	4.08

The use of the funds is set forth in the Estimated Development Costs Exhibit 7 and the Sources and Uses of Funds (UDAG form 3a) Exhibit 9. No other public funds, Exhibit 10, are involved in the financing plan. The Detailed Construction Cost Estimate is included as Exhibit 8. It was prepared by the Dunfey Hotels Corporation based on their experience in operating fifteen hotels around the world.

The other development costs, "soft costs", appear high. This can be explained by the lengthy reconstruction period caused by the need to maintain limited operations during rehabilitation. Continuing operations are necessary to maintain name recognition and market penetration. It is also important to provide continuity of employment to the trained staff to avoid incurring again the substantial costs of training. Many of these employees could not find similar employment alternatives in Providence. An explanation of these costs and the basis of the estimate is included in Exhibit 7.

The Cash Flow projection, Exhibit 11, are based on estimates provided by Peat Marwick & Mitchell and Dunfey Hotel Corporation, Exhibit 11A for a fully renovated property. The operating profit estimates for the years 1985 and 1986 were adjusted to account for the disruption of operations and revenues while the reconstruction program is being undertaken.



THE CONNECTICUT BANK AND TRUST COMPANY, N.A.

One Constitution Plaza
Hartford, CT 06115

COPY

July 12, 1984

Rhode Island Industrial Facilities Corp.
Seven Jackson Walkway
Providence, RI 02903

Re: Providence Hotel Associates

Gentlemen:

We write to you on behalf of the application of Providence Hotel Associates, a Rhode Island limited partnership, for industrial revenue bond financing of up to \$10,000,000. This application is made in connection with Providence Hotel Associates' proposed acquisition of the land, building and other operating assets of the Biltmore Hotel and the subsequent renovation of the hotel.

We have reviewed the proposed financial structure of the limited partnership, the plans for the acquisition and renovation of the hotel, and the overall project budget. As a result, we have expressed a willingness to purchase the industrial revenue bond or bonds (In the amount of \$9,500,000) for the purpose of funding the project.

Our commitment is, of course, subject to agreement on mutually acceptable terms and conditions with respect to the principal terms of the industrial revenue bond and to the preparations of definitive bond documents in form and substance acceptable to us and our counsel.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Donna M. Pellegrini", written over a horizontal line.

Donna M. Pellegrini
Assistant Treasurer

TUCKER, ANTHONY & R. L. DAY, INC.

MEMBERS NEW YORK STOCK EXCHANGE

1610 HOSPITAL TRUST TOWER

PROVIDENCE, RHODE ISLAND 02903

(401) 456-1900

July 25, 1984

Mr. James Winoker
B.B. Greenberg Co.
333 West River Street
Providence, RI 02904

Dear Jim,

This letter will serve to outline our proposal to market limited partnership interests in the Biltmore Plaza Hotel located in Providence, Rhode Island.

Based on Peat Marwick's and Dunfey Hotel's rehabilitation, financing, and operating projections and assuming a positive feasibility study by a nationally recognized entity in the hotel field, we would be pleased to work with you on the following terms and conditions:

I. In consideration for designating us as marketer, we would on a best efforts basis raise \$2,675,000 of investor limited partnership capital in five installments.

- A. Upon the closing of all limited partnership interests (anticipated to be November 30, 1984) \$1,025,000;
- B. on January 30, 1985 \$675,000;
- C. on January 30, 1986 \$475,00;
- D. on January 30, 1987 \$300,000;
- E. on January 30, 1988 \$200,000.

II. We will cause to be formed a Rhode Island Limited Partnership of which your group will be the General Partner and will have a 1% Limited Partnership Interest. We would thereafter cause to be prepared an offering memorandum and such further documents as we and our counsel deem appropriate for purposes of selling interests in such Limited Partnership to a number of investors. This offering would not be registered under the Securities Act of 1933, but may be Blue-skyed in a number of states.

The agreement of Limited Partnership will provide that:

- A. 99% of all profits and losses from the Partnership will be allocated to the Limited Partners and 1% will be allocated to the General Partner.
- B. Cash flow, when it commences, will be allocated 50% to the investor limited partners and 50% to the General Partner.
- C. Prior to the dissolution of the Partnership, the net cash proceeds resulting from a refinancing or sale of the Project or from any other transaction not in the ordinary course of the Partnership's business shall, to the extent that the General Partner determines that such cash is available for distribution and subject to any applicable Loan Documents, be distributed (after payment or reservation for Partnership Debts and Liabilities excluding Project Expense Loans, Residual Receipts Notes and Subordinated Management Fees in the following order of priority: (i) to the payment of Project Expense Loans, (ii) to the Limited Partners, their original Capital Contribution, (iii) to the repayment of any outstanding Residual Receipt Notes, (iv) to the general partner their original capital contribution, (v) any remaining net proceeds shall be distributed 50% to the Investor Limited Partners and 50% to the General Partners. Upon dissolution of the Partnership, the assets of the Partnership (including the proceeds of any sales or other dispositions in liquidation of the Partnership assets) will be distributed in the same manner.

III. On your part, you agree to the following:

- A. To complete the proposed rehabilitation and renovations and to furnish, if needed, any additional funds (over and above the proceeds of the mortgage loan, capital contribution of the investors and any other available sources) in order to complete the Project.

B. If the Hotel requires any funds to meet operating deficits to advance-interest-free subordinated loans to the Partnership to finance such deficits provided that subordinated loans in the aggregate need not exceed \$1,000,000.

IV. Our fee for raising \$2,675,000 is 9% or \$238,500 to be paid upon the closing of limited partnership interests and 8% of the General Partners interest in the Hotel.

All professional fees will be paid by you out of the proceeds of sales of limited partnership interest.

We anticipate that the offering memorandum will be prepared and the partnership documents available prior to November 1, 1984, so that marketing of the Project may go forward during the month of November. We anticipate initial closing of the partnership interest sales on or before November 30, 1984.

If the foregoing proposal is acceptable, kindly advise and we will, subject to Tucker Anthony's Board of Directors' approval, cause our attorney to prepare the necessary draft of an agreement between you and us.

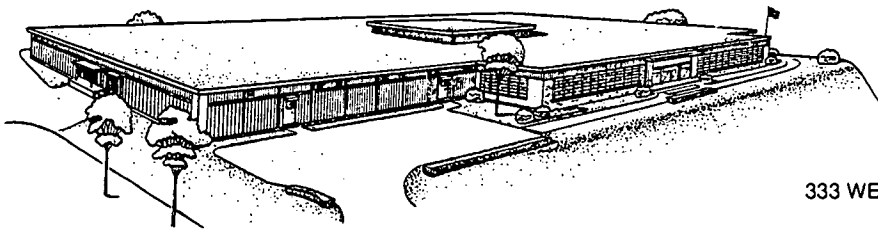
Sincerely,



R. Park Palmer
Vice President

RPP/gh

cc: Jacques Hopkins
Robert L. Wolf
Robert T. Kenney



B. B. GREENBERG CO.

333 WEST RIVER STREET • PROVIDENCE, RHODE ISLAND 02904

(401) 272-6100 • CABLE GREENCO PROV RI

TELEX 6814046 GRECO

July 31, 1984

The Honorable Samuel L. Pierce, Jr.
Secretary
U. S. Department of Housing
and Urban Development
451 Seventh Street S.W.
Washington, D.C. 20410

Dear Secretary Pierce:

In consideration of the UDAG application to assist the revitalization of the Biltmore Hotel in Providence, Rhode Island, you have requested a letter outlining our commitment to the project and the need for UDAG funding.

Responding to the efforts of the City of Providence to rejuvenate this downtown historic landmark, MHW Company and its partners have agreed to spend over \$15,000,000 to acquire and rehabilitate the Biltmore. Earlier efforts by other developers to partially renovate and operate the property have not been economically successful. Because of its importance to creating viable downtown commercial activity, we are determined to make it successful with your help. We are confident that the facility will be financially successful with the completion of the renovation program and the professional management of the Dunfey Hotels Corporation.

MHW Company and its partners are prepared to expend over \$15,000,000 including \$2,300,000 equity funding on this project providing UDAG funding is available as a low interest loan in the amount of \$2,000,000 as follows:

<u>Years</u>	<u>Interest Rate</u>
1-3	4% - deferred to years 4-15
4-6	4%
7-9	8%
10-15	10%

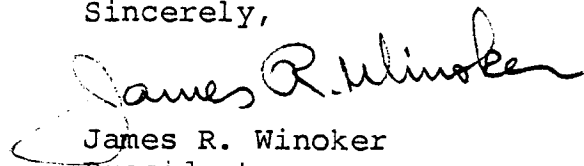
The financial statements of the partners will be provided when needed indicating sufficient resources.



The Honorable Samuel L. Pierce, Jr.
Secretary
July 31, 1984
Page Two

We appreciate your assistance in bringing this important project to fruition. It is important to the future growth of Downtown Providence. Over 300 jobs will be saved. Without UDAG funding we will be unable to undertake the project as contemplated.

Sincerely,


James R. Winoker
President
MHW COMPANY

CERTIFICATE OF THE SECRETARY
OF
RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

I, Robert E. Donovan, hereby certify that I am the duly elected, qualified and acting Secretary of the Rhode Island Industrial Facilities Corporation (the "Corporation").

I do hereby further certify that the resolution titled "Inducement Resolution of the Rhode Island Industrial Facilities Corporation Relating to Proposed Industrial Facilities for Providence Hotel Associates" of the Rhode Island Industrial Facilities Corporation, attached hereto as Exhibit A and made a part hereof, was duly adopted by the Board of Directors of the Corporation on July 23, 1984, and that the same remains in full force and effect on the date hereof, without any modification whatsoever.

Witness my hand and the seal of said Corporation this 26 day of July, 1984.



Robert E. Donovan
Secretary

[SEAL]

EXHIBIT A

INDUCEMENT RESOLUTION OF THE
RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION
RELATING TO PROPOSED INDUSTRIAL FACILITIES
FOR PROVIDENCE HOTEL ASSOCIATES

WHEREAS, the Rhode Island Industrial Facilities Corporation (the "Issuer") is a public corporation of the state organized and existing under Chapter 37.1 of Title 45 of the Rhode Island General Laws as amended thereafter by the Rhode Island General Assembly (the "Act") and is authorized, pursuant to the Act, (i) to finance the acquisition, construction, reconstruction, equipping and furnishing of one or more projects, including all real and personal properties in connection therewith, (ii) to execute agreements of lease, conditional sales contracts, loan agreements, mortgages, construction contracts, operation contracts and other contracts and instruments entered into to finance its projects, (iii) to sell, exchange, mortgage, donate and convey any or all of its properties whenever such action is found to be in furtherance of the purposes for which the Issuer was established, and (iv) to issue its bonds for the purposes of carrying out any of its corporate purposes and to mortgage and pledge any of its projects or parts thereof as security for such bonds; and

WHEREAS, the Issuer has determined that there exists a need for further development of industrial facilities within the State of Rhode Island, a need to induce, encourage and facilitate industrial development by the expansion of railroad facilities and otherwise, and a need for the abatement and control of pollution of the environment to protect the health and welfare of the citizens of Rhode Island and its natural resources, and that, accordingly, it is in the public interest that the Board take such action as it lawfully may take to effectuate the foregoing purposes; and

WHEREAS, Providence Hotel Associates, a Rhode Island partnership (the "Partnership", which term for purposes hereof includes MHW Company, a Rhode Island corporation, or any other general partner of Providence Hotel Associates, or any partnership formed or to be formed by any such general partner) has advised the Issuer that it has under consideration a plan to acquire land and a building thereon presently known as the Biltmore Plaza Hotel located in the City of Providence, Rhode Island, to renovate said building and to acquire and install machinery and equipment therein for use by the Partnership as a full service hotel facility (such acquisition, renovation and equipping are herein referred to collectively as the "Project"); and

Biltmore Plaza Revitalization
Estimated Development Costs

NOTE

ACQUISITION	\$ 7,550,000 (1)
CONSTRUCTION	
Room Consolidation	256,000
Bathroom Upgrade	1,161,000
Closets	130,800
Painting	450,000
Corridors	180,000
FURNITURE & FIXTURES & EQUIPMENT	901,885
SOFT GOODS	464,700
OTHER HARD COSTS	
Freight (6%)	73,826
Purchasing Costs (5%)	61,521
Installation	57,800
Sub Total - Construction	\$ 3,731,532
DEVELOPMENT COSTS	
Architectural	100,000
Testing & Permits & Misc.	45,000
Interior Design	125,000
Dunfey Technical Service	110,000
Financing Expense	280,000 (2)
Legal & Accounting	95,000 (3)
Pre-Opening Marketing	150,000 (4)
Insurance	25,000
Development Management 5%	825,000
Contingencies	500,000
Interest During Reconstruction (18 mo. 11%)	1,783,000 (5)
Real Estate Taxes During Construction	150,000
Syndication Expenses	338,500 (6)
Sub Total- Developments Costs	\$ 4,526,500
TOTAL PROJECT COSTS	\$15,808,032
Provision for Working Capital and Operating Deficits	666,968
TOTAL DEVELOPMENT COSTS	\$16,475,000

Laws of Rhode Island, as amended) and shall be acceptable to the Issuer and the Partnership.

4. The appropriate officers of the Issuer are, and each hereby is, authorized to take all actions which are necessary and proper to effect the intent of any of the resolutions adopted by the Issuer in connection with the Project.

5. This resolution is an affirmative action of the Board of Directors of the Issuer toward the issuance of the Bonds in accordance with the purposes of the laws of the State of Rhode Island and United States Treasury Regulations.

6. This resolution shall take effect immediately.

Adopted: July 23, 1984

Biltmore Plaza Revitalization

Estimated Development Costs

Notes

(1) Acquisition

Assumption of the Biltmore Hotel Associates Mortgage	\$8,100,000
Less Discount	<u>1,600,000</u>
Net Paid to Fleet National Bank	\$6,500,000
Acquisition of Adjoining Parking Lot	500,000
Discounted Economic Development Administration Loan	<u>550,000</u>
Total Acquisition Price	\$7,550,000

(2) Financing Expenses

Bond Counsel	\$25,000
Issuance fees 1/2%	47,000
Underwriting fee 1%	95,000
Letter of Credit fee 1%	95,000
Printing and Miscellaneous	<u>18,000</u>
	\$280,000

(3) Legal and Accounting

Peat Marwick and Mitchell	\$25,000
Hinckley, Allen, Tobin and Silverstein	<u>70,000</u>
	\$95,000

WHEREAS, the Partnership has further advised the Issuer that a determination by the Issuer to issue up to \$9,500,000 of its industrial development revenue bonds (the "Bonds") under the Act to assist the Partnership in financing the Project under a lease agreement or some other form of finance agreement, which, in any case, would provide for payments sufficient to pay the principal of, and interest and redemption premium, if any, on, the Bonds will constitute a substantial inducement to the Partnership to proceed with the Project; and

WHEREAS, The Connecticut Bank and Trust Company, N.A. (the "Bank") has expressed a willingness to purchase the Bonds upon such terms and conditions as are set forth in its commitment letter dated July 12, 1984; and

NOW, THEREFORE BE IT RESOLVED THAT

1. The Issuer finds and determines that the financing of the Project is in furtherance of the public purposes of the Act, and that it is in the public interest that the Issuer take such action as it lawfully may take to the end that the financing of the Project may be undertaken.

2. The Issuer finds and determines that the issuance of its revenue bonds under the Act to assist in the financing of the Project will serve the public purposes referred to in the Act.

3. In order to induce the Partnership to proceed with the Project, the Issuer hereby determines that: (i) it will authorize, issue and sell one or more series of industrial development revenue bonds pursuant to the Act, in an aggregate principal amount not to exceed \$9,500,000, to finance the Project by or on behalf of the Issuer including repayment to the Partnership of any advances made by the Partnership in connection with the Project, and enter into a lease agreement or some other form of finance agreement which will provide, in any case, that the payments to be paid by the Partnership shall be sufficient to pay the principal of, interest and redemption premium, if any, on, the Bonds, as and when the same shall become due and payable; (ii) it will adopt such further orders and resolutions and authorize the execution and delivery of such other instruments and the taking of such further action as may be necessary or advisable for the authorization, issuance and sale of the Bonds, and the financing of the Project; and (iii) it will take or cause to be taken such other actions as may be appropriate in pursuance thereof; provided that all of the foregoing as well as all of the terms and conditions and provisions of security relating to the financing of the Project and the issuance of the Bonds shall be as authorized by law (including without limitation Section 45-37.1-13 of the General

(4) Pre-Opening Marketing

Signs	\$50,000
Postage	10,000
Printing	45,000
Advertising	50,000
Miscellaneous	<u>5,000</u>
Total	\$150,000

(5) Interest During Reconstruction

Acquisition $\$7,550,000 \times 11\% \times 1.5 \text{ years}$	\$1,245,750
Rehabilitation $\$4,450,000 \times 50\% \times 1.5 \text{ years}$	367,125
Syndication Payments $\$1,750,000 \times 50\% \times 1.5$	<u>170,125</u>
	\$1,783,000

(6) Syndication Expenses

TA fee	\$ 238,500
Printing	25,000
Feasibility Study	25,000
Legal and Accounting	<u>50,000</u>
	\$ 338,500

17-May-84

BILTMORE PLAZA RENOVATION

Detailed Construction Cost Estimate

PROGRAM #5

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		40	20	87	72	70	289
CONSTRUCTION							
ROOMS CONSOLIDATION	6,400	256,000					256,000
CORRIDERS							
BATH UPGRADE							
MARBLE	5,000	200,000	100,000	435,000			735,000
CORIAN	3,000				216,000	210,000	426,000
CLOSETS - SUITES & DELUXE	600	24,000	12,000	52,200			88,200
- SUPER. & STDS.	300				21,600	21,000	42,600
PAINT AND VINYL LABOR-							
SUITES & DELUXE	1,000	40,000					40,000
SUPER. & STD	500						0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	180,000					180,000
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				100,800		100,800
STANDARD	1,225					85,750	85,750
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	96,000					96,000
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,050			91,350			91,350
SUPERIOR	425				30,600		30,600
STANDARD	675					47,250	47,250
OTHER	NA						0
TOTAL		796,000	164,500	754,725	369,000	364,000	2,448,225
FREIGHT @6% OF FF&E AND							
SOFT GOODS		16,560	3,150	16,052	7,884	7,980	51,626
SALES TAX @6% OF FF&E AND							
SOFT GOODS		16,560	11,580	61,335	30,024	29,820	149,319
PURCHASING @5% OF FF&E							
AND SOFT GOODS		13,800	2,625	13,376	6,570	6,650	43,021
INSTALLATION	200	8,000	4,000	17,400	14,400	14,000	57,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		850,920	185,855	862,888	427,878	422,450	2,749,991

Source: Dunfey Hotel Corporation

17-May-84

BILTMORE PLAZA RENOVATION

Detailed Construction Cost Estimate

PROGRAM #5

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L'APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	289					289
CONSTRUCTION						
ROOMS CONSOLIDATION	256,000					256,000
CORRIDERS		180,000				180,000
BATH UPGRADE						
MARBLE	735,000					735,000
CORIAN	426,000					426,000
CLOSETS - SUITES & DELUXE	88,200					88,200
- SUPER. & STDS.	42,600					42,600
PAINT AND VINYL LABOR-						
SUITES & DELUXE	40,000					40,000
SUPER. & STD	0					0
OTHER	0	60,000	275,000	75,000		410,000
FURNISHINGS & EQUIPMENT						
NEW DELUXE	180,000					180,000
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	100,800					100,800
STANDARD	85,750					85,750
OTHER	0	24,000	100,000	75,000		199,000
SOFT GOODS						
NEW DELUXE	96,000					96,000
SUITES	28,500					28,500
EXISTING DELUXE	91,350					91,350
SUPERIOR	30,600					30,600
STANDARD	47,250					47,250
OTHER	0	96,000	25,000	50,000		171,000
TOTAL	2,448,225	360,000	400,000	200,000	0	3,408,225
FREIGHT @6% OF FF&E AND						
SOFT GOODS	51,626	7,200	7,500	7,500	0	73,826
SALES TAX @6% OF FF&E AND						
SOFT GOODS	149,319	7,200	7,500	7,500	0	171,519
PURCHASING @5% OF FF&E						
AND SOFT GOODS	43,021	6,000	6,250	6,250	0	61,521
INSTALLATION	57,800					57,800
ARCHITECTURAL FEES	0				100,000	100,000
INTERIOR DESIGNER	0				125,000	125,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				110,000	110,000
CONTINGENCY	0				300,000	300,000
TOTAL	2,749,991	380,400	421,250	221,250	635,000	4,407,891

Source: Dunfey Hotel Corporation

SOURCES AND USES OF FUNDS FOR PROJECTS

This constitutes partial response to Part III. Section B 3b.

SOURCES OF FUNDS (000)

Line Item Activity	UDAG Funds	Private Equity	Loans (Including Revenue Bonds)	Other*	Total
a. Land Acquisition		\$ 550	\$7,000		\$7,550
b. Relocation of Persons and Businesses					
c. Clearance and Demolition					
d. Off-Site Improvements					
e. On-Site Improvements					
f. Building Construction	\$2,000		369		2,369
g. Parking Facilities					
h. Capital Equipment					
i. Non-Capital Equipment (FFE, etc.)		735	632		1,367
j. Professional Fees		1,459	435		1,894
k. Interim Costs: Construction Period Interest, Real Estate Taxes		1,064	1,064		2,128
l. Contingency		500			500
m. Cost Subtotal (Sum of lines a-l)	\$2,000	4,308	9,500		15,808
n. Administration	50				
o. Working Capital		667			667
p. Total Project Costs (Sum of lines m + n + o)	\$2,050	4,975	9,500		16,475

UWAG FORM 3b

OTHER PUBLIC FINANCIAL ASSISTANCE SUMMARY

INSTRUCTIONS: Complete one row to describe each kind of public financial assistance used in the proposed project.

Public Entity Program Title Contact Person Address/Telephone Number	Amount	Type of Assistance (loan, grant)	Recipient of Public Funds	Use of Public Funds	Funding Status		
					Committed	Pending	Application not Submitted
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)

N O N E

*With Form 3a, this form constitutes the response to Part III Section B 3b.

BILTMORE HOTEL REVITALIZATION PROGRAM
10 YEAR CASH FLOW PROJECTIONS
(000)

YEAR	Actual		<u>84</u>	<u>85</u>	<u>86</u>	<u>87</u>	<u>88</u>	<u>89</u>	<u>90</u>	<u>91</u>	<u>92</u>	<u>93</u>
OPERATING PROFIT (LOSS)	<u>82</u>	<u>83</u>										
	(319)	(178)	5	100	500	1641	1949	2065	2189	2321	2460	2609
DEBT SERVICE - IRB (11% - 15 Years)			253	-	644	1287	1287	1287	1287	1287	1287	1287
FF&E RESERVE			73	149	149	393	406	430	456	483	512	543
UDAG REPAYMENT				-	-	-	198	198	198	249	249	249
NET CASH FLOW			(321)	(49)	(293)	(29)	58	150	248	302	412	530
15% RETURN TO LIMITEDS				-	-	-	-	150	248	302	401	401
15% RETURN TO GENERALS				-	-	-	-	-	-	-	11	129
UDAG PARTICIPATION - 15%				-	-	-	-	-	-	-	-	-
NET AVAILABLE				-	-	-	-	-	-	-	-	-

SOURCE - PEAT MARWICK MITCHELL - adjusted

*****FOR DISCUSSION PURPOSES ONLY*****

NUMBERS DERIVED FROM DUMFREY PROJECTIONS SEE RELATED NOTES ON ASSUMED PERCENTAGE INCREASES BELOW

OPERATING ASSUMPTIONS:

DESCRIPTION	YEAR:	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
INPUT VALUES												
ROOMS AVAILABLE		120048	112785	105485	105485	105485	105485	105485	105485	105485	105485	105485
ROOMS SOLD		69940	73110	75918	79910	80210	80210	80210	80210	80210	80210	80210
(1'000) F & B REVENUES		3777	4050	4564	4844	5189	5500	5850	6179	6549	6941	7357
AVG. ROOM RATE		60.68	46.01	71.47	78.1	85.44	90.7784	96.22510	101.9984	108.1185	114.6056	121.4820
PROFIT PERCENTAGE - ROOMS		.679	.69	.71	.73	.74	.74	.74	.74	.74	.74	.74
- F & B		.078	.09	.11	.13	.13	.13	.13	.13	.13	.13	.13
(1'000) TEL/RENT/OTHER/F&B MISC.		534	589	634	672	701	743	787	834	884	937	993
(1'000) - REVENUE		179	208	221	233	246	260	275	291	308	326	345
- PROFIT												

TENTATIVE - For Discussion
Purposes Only

COMPUTED VALUES	YEAR:	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
REVENUES:												
(1'000) - ROOMS		4244	4826	5425	6241	6849	7281	7718	8181	8672	9193	9744
- F&B, F&B MISC.		3777	4050	4564	4844	5189	5500	5850	6179	6549	6941	7357
- TEL/RENT/OTHER/F&B MISC.		534	589	634	672	701	743	787	834	884	937	993
TOTAL REVENUE		8555	9465	10623	11757	12759	13524	14335	15194	16105	17071	18094
DEPARTMENTAL PROFIT:												
- ROOMS		2882	3310	3852	4536	5083	5388	5711	6054	6417	6803	7211
- F & B		295	364	502	630	675	715	758	803	851	902	956
- TEL/RENT/OTHER/F&B MISC.		179	208	221	233	246	260	275	291	308	326	345
TOTAL DEPT. PROFIT		3356	3902	4575	5419	6004	6363	6744	7168	7576	8031	8512
LESS:												
- LAB/INTS/ENERGY/PROP. OPER		-3154	-3175	-3306	-3543	-3808	-4036	-4278	-4534	-4806	-5094	-5399
- PROP. TAX AND INSURANCE		-197	-208	-221	-235	-248	-262	-277	-293	-310	-328	-347
NET OPERATING PROFIT		3	569	1048	1641	1948	2065	2189	2321	2460	2609	2766
OCCUPANCY PERCENTAGE		.5828003	.448245	.7196384	.7535485	.7603975	.7603975	.7603975	.7603975	.7603975	.7603975	.7603975

NOTES ON ASSUMED VALUES FOR YEARS 1989 - 1994

PERCENTAGE INCREASE	AVG. ROOM RATE /YR.	.06
ASSUMED	NON-AN. DEPT'L PROFIT	.06
ALL REDUCTIONS		.06

DUMFREY ESTIMATES OF OPERATING REVENUE WERE PREPARED ONLY THROUGH 1989. INCOME AND EXPENSE ASSUMPTIONS ARE THE FOLLOWING FOR 1989 - 1994: Room revenue will increase only with room rate increases. Room rates, non-room revenue and expenses will increase with inflation.

UDAG REPAYMENT SUMMARY

The City of Providence proposes to loan \$2,000,000 to the development partnership.

Terms of the loan are for 15 years at the following interest rates.

<u>Years</u>	<u>Interest Rate</u>	<u>Annual Constant</u>	<u>Annual Payment</u>	<u>Cumulative Amount</u>	<u>Present Value 10%</u>
0-3	4	-0-	-0-	-0-	--
4-6	4	.0888	\$197,600	\$592,800	\$369,117
7-9	8	.1147	249,400	748,200	350,158
10-15	10	.1290	278,000	<u>1,668,000</u>	<u>513,466</u>
TOTAL				3,009,000	1,232,741

The interest accrued during the first three (3) years will be deferred to the fourth (4th) through the fifteenth (15th) year of the loan, and paid as equal increments of \$20,000 to each ordinary annual payment due in years four (4) through fifteen (15).

Debt Servicing Participation:

The City of Providence will receive an "additional payment" on debt, equal to 15% of net cash flow after debt service, operating costs and a 15% cash return to investors has been paid.

The 15% annual cash return to investors is to be cumulative and paid as cash flow permits. The equity is all amounts invested by partners to the revitalization project including future capital improvements. Deficits caused by annual operations and funded by partners are paid out of the subsequent year's cash flow.

The UDAG loan proceeds will be used to further the planning and community development objectives of the Providence office of Economic Development.

PROJECT SCHEDULE

The proposed modernization program will commence in January, 1985. It is anticipated the project will take eighteen (18) months to complete because of the need for continuing operations, at least on a limited basis, to maintain continuity of name recognition and market penetration. It is expected that it will take on the average about one and one-half months to complete each floor.

The following listing indicates the major milestones in the schedule:

Building Construction Documents 75% complete and submitted for pricing	1 Oct 84
Building Permit	1 Oct 84
UDAG Award	1 Oct 84
Receive Contractor pricing for building	15 Nov 84
Review Contractor pricing and make award	1 Dec 84
Close IRB & Syndication	15 Dec 84
Receipt of UDAG Funding	1 Jan 85
Begin Reconstruction	1 Jan 85
Construction 18 months to complete	30 Jun 86

NECESSITY FOR THE ACTION GRANT

The UDAG loan of \$2,000,000 is requested to offset the extraordinary costs of reconstruction of the Biltmore and to provide administrative resources to the City of Providence.

Without public assistance the public spirited development group will be unable to create a feasible project. The lack of success of the previous developers is ample evidence of the need for UDAG assistance.

The excessive costs of the project are caused primarily by the need to undertake the reconstruction on a phased basis, that is one floor at a time. The period of limited operation therefore is stretched to eighteen (18) months causing higher hard and "soft" costs and reduced earnings. Continuity of employment for the trained staff is also necessary to avoid substantial retraining costs.

Furthermore the developers require UDAG funding to exceed the \$10,000,000 investment limit on non-UDAG related industrial revenue bonds. The principals of the development may well exceed that limit in the next six years in Providence either in the project or on other projects.

MARKET FEASIBILITY

The projection of sales used by Peat Marwick & Mitchell are based on estimates provided by Dunfey Hotels Corporation. These estimates were predicated upon their actual experience in operating the Biltmore and other older hotels elsewhere.

ALLEVIATION OF ECONOMIC DISTRESS

JOBS

The revitalization of the Biltmore is necessary to retain the 330 existing jobs presently at the site. Without the room consolidation program and rehabilitation, the Biltmore will continue to lose significantly. This can not continue indefinitely. When the revitalization program is complete, employment is expected to grow to 350 persons. The majority of these jobs, ie. 87%, earn less than \$14,000 annually.

The secondary job impacts of fostering Providence's conference and convention industry, furthermore, is expected to create an additional 250 jobs in other restaurants and businesses in Downtown Providence. For every dollar spent by visitors at the Biltmore, it is estimated that \$1.50 will be spent outside.

The revitalization of the Biltmore will add \$10,000,000 directly to the Providence economy which will grow to \$25,000,000 when the secondary impacts are added.

The operators of the Biltmore will endeavor to fill these new jobs and those created by turnover in conjunction with the job development programs of the City as outlined in the Employment Plan.

TAXES

The completion of the project will ensure the continuation of the \$100,000 paid annually to the City of Providence. Additionally the sales tax revenues to the state which indirectly are returned to the City should exceed \$750,000 annually.

ULAG FORM 4

A. PERMANENT JOBS PROJECTION (excluding construction jobs)

	<u>FULL-TIME JOBS (a)</u>	<u>HALF-TIME JOBS (b)</u>
1. Number of jobs projected for Action Grant site after completion of project: year 3	350 (1a)	_____ (1b)
<u>Source</u> (check box and enter figure if appropriate)		
<input type="checkbox"/> Industry standard jobs/per square foot: _____ jobs/per \$ sales: _____		
<input type="checkbox"/> Local industry statistics		
<input checked="" type="checkbox"/> Developer/tenant estimates		
<input type="checkbox"/> Other (explain w/attachments)		
2. Number of jobs currently at Action Grant site:	0 (2a)	_____ (2b)
<u>Source</u> (check box)		
<input checked="" type="checkbox"/> Employer records		
<input type="checkbox"/> Local industry statistics		
<input type="checkbox"/> Other (explain)		
3. Number of existing jobs projected to be transferred to Action Grant site: 40%	0 (3a)	_____ (3b)
<u>Source</u> (check box)		
<input type="checkbox"/> Employer records/estimates		
<input type="checkbox"/> Industry standards		
<input type="checkbox"/> Local industry statistics		
<input type="checkbox"/> Other (explain)		
4. Net totals (line 1 - line 2 - line 3)	350 (4a)	_____ (4b)
5. Net jobs (4a + 1/2 4b)	350	(5)

350 existing jobs will be lost if property not revitalized.

UDAG FORM 4

b. PERMANENT JOB CHARACTERISTICS

Enter the % and number of NET JOBS (line 5 from previous page) which will fall in each of the categories described below.

6. NET JOBS (line 5) projected to be filled by CETA-eligible people: 86 % 301 jobs
7. NET JOBS (line 5) projected to pay less than 80% of the SMSA median income: 86 % 301 jobs
8. NET JOBS (line 5) projected to be entry level positions, open to low and moderate income persons, but paying over 80% of the SMSA median income: 25 % 88 jobs
9. NET JOBS (line 5) projected to be filled by minority people: 15 % 35 jobs
10. SMSA Minority % of population in the 1960 Census: 15+/- %
11. Net Jobs to be provided by companies which would have gone out of business, but for the Action Grant. (Signed statements to that effect may be required from company officers.) 350 jobs

c. CONSTRUCTION JOB PROJECTION

HUD keeps track of the number of construction jobs UDAG projects generate since they help alleviate distress. The form below estimates construction jobs to be created by Action Grant projects.

12. Total estimated construction cost of Action Grant project (from UDAG FORM 3a, lines c + d + e + f + g): \$2,178,000
13. % of construction cost attributable to labor: 50 %

Source (check one box)

- ☐ Contractor's estimate
☐ local industry statistic
☐ national industry standards

- ☒ developer's estimate
☐ other (explain)

14. Labor cost of construction (line 12 x line 13): \$1,089,000
15. Average annual construction salary and fringe benefits: \$ 20,000

Source (check one box)

- ☐ Contractor's estimate
☐ local industry statistics

- ☒ developer's estimate
☐ other (explain)

16. Projected total Construction Jobs. 55

UDAG FORM 5 Tax Revenues

Instructions: This form obtains the net increase in tax revenues that the applicant jurisdiction expects to receive due to the proposed UDAG project. It counts only taxes levied by or returned by a set formula to the applicant. In this form, complete all items that are applicable to the proposed project. On a separate page, include a narrative description of the basic assumptions and techniques used in calculating these figures. If an item is not applicable to the proposed project, insert "N/A". Refer to the preceding Instruction Sheets if further guidance is needed.

Amount*

Section 1 Real Property Taxes

- a. Estimated tax appraisal of project's market value upon completion \$ _____
- b. Fractional tax assessment rate _____ %
- c. Assessed value of project upon completion (a x b) \$ _____
- d. Nominal tax rate of the local jurisdiction and its school board for the UDAG project use, excluding portion of tax rate allocated to special districts or jurisdictions other than applicant \$ _____ / \$1000 of assessed value
- e. Estimated real property tax revenues to be paid to applicant before any tax abatement (c x d) \$ _____
- f. If tax abatements are applied, estimate the average annual amount abated over 20 years according to abatement schedule (count for years with no abatement) \$ _____
- g. Payment in lieu of taxes (pilot) \$ 100,000

*Base information on fiscal improvement on an estimate of circumstances in the first year after completion of the last phase of the UDAG project.

Amount

- h. Expected revenues from special assessments and special tax districts that will result from this project \$ NONE
- i. Tax bill in current year for project parcel(s) as presently developed \$
- j. TOTAL: Change in property tax revenues paid to local government (e - f + g + h - i) \$ 100,000

Section 2 Other Taxes: Changes in other tax revenues levied by or returned by formula to applicant jurisdiction as a result of this UDAG project. Exclude all Federal taxes

- a. Sales tax generated by new businesses and levied by or returned by formula to applicant jurisdiction (2,500,000 X 6% - 290,000) INDIRECT \$ 460,000
- b. Change in sales tax generated by businesses moving to or from UDAG project site or expanding at the site; indicate "+" or "-" \$ N/A
- c. Net changes in sales tax levied by or returned by formula to applicant jurisdiction (a+b) \$
- d. Net change due to UDAG project in business income taxes levied by or returned by formula to applicant jurisdiction \$ N/A
- e. Average net change in personal property taxes (over a 20 year period) levied by or returned by formula to applicant jurisdiction \$ N/A
- f. Net change in hotel inventory, business franchise and mercantile taxes levied by or returned by formula to applicant jurisdiction (6% of rooms) \$ 290,000

g. Change in other taxes, excluding
fees for service (e.g. permit fees)

\$ _____

Nature of tax _____

\$ _____

h. Total other taxes (2c + 2d + 2e + 2f + 2g)

\$ 750,000

Section 3 TOTAL: Net change in tax revenues of applicant jurisdiction due to UDAG
Project (1j + 2h)

TOTAL:

\$ 850,000

Certification

I hereby certify that this form accurately reflects the likely fiscal impact
of the proposed project.

Chief Tax Assessor or Chief Fiscal Officer

EMPLOYMENT PLAN TO ASSURE
THAT PRIVATE SECTOR JOBS ESTABLISHED
ARE AVAILABLE TO THE UNEMPLOYED

Permanent jobs established as a result of this project will include a combination of semi-skilled, secretarial-clerical and professional-managerial. Approximately 20 new jobs will be created in the three years after completion in addition to the 330 jobs retained at the site.

The Providence CETA Administration (prime sponsor), and the Private Industry Council (PIC), in conjunction with the Opportunities Industrialization Center (OIC), other educational institutions and private non-profit and business entities, participate in developing and offering training programs funded by Title II and VIII for CETA eligible persons in Providence. Those applicable to employment opportunities generated by this project include waiters, bellhops, office clerks, accounting clerks, and secretarial personnel. Minority enrollment in OIC programs, is 67% of the student population.

MHW Company will utilize the local training and employment programs in filling new employment positions created by this project, to the fullest extent possible.

Recruitment and screening is extensive for all of the above training programs. Radio and television public service announcements, newspaper advertisement, direct mailing to welfare recipients, community center and social service agency network outreach are common methods both OIC and Providence CETA employ to gather recruits. Standard aptitude tests, an employment history survey and interviews with recruits help screen and place individuals into an appropriate curriculum. Providence CETA and OIC job developers are in constant communication with the local business community to identify and refer graduates to companies having job openings.

In the upcoming months, a PIC subcommittee composed of Providence CETA, the Office of Economic Development, the Chamber of Commerce, the Providence Industrial Development Corporation, and the Small Business Council, will coordinate existing manpower and training programs with economic development activities in the locality. Specifically, the subcommittee will promote job training services and recruit companies to utilize these services when training and/or hiring new employees. An initial target in marketing training programs will be those companies receiving economic development loans, grants or assistance from the Office of Economic Development, the Rhode Island Department of Economic Development, The Providence Industrial Development Corporation

and other agencies disbursing state/federal funds for economic development purposes. Providence CETA and OIC job developers will be encouraged to contact the development partnership plus tenants of the new office building to place graduates, where possible, in companies having the appropriate job openings.

PART IV

ASSURANCES

The Applicant hereby assures and certifies that:

1. Prior to submission of its application, it has met the citizen participation requirements of Section 570.454(a) and has made the impact analysis required by Section 570.454(b).
2. The private development would not occur unless the public funding on which the development is based becomes available, in the opinion of the chief executive officer.
3. The action grant funds will not substitute for local public funds which are available for the project described in the action grant application.
4. It possesses legal authority to apply for the grant and to execute the proposed program.
- (*1) 5. Its governing body has duly adopted or passed as an official act, a resolution or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.
6. Its chief executive officer or other officer of the applicant approved by him:
 - (A) Consents to assume the status of a responsible Federal official for environmental review, decision making and action pursuant to the National Environmental Policy Act of 1969, and the other authorities listed in 24 CFR 58.1(a)(3) insofar as the provisions of such Act or other authorities apply to this part;
 - (b) Is authorized and consents on behalf of the applicant and himself/herself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his/her responsibilities as such official.
7. It will comply with the requirements for historic preservation identification and review set forth in Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470), Executive Order 11593, and the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469a, et seq.), regulations of the Advisory Council on Historic Preservation at 36 CFR 801, and any other regulations promulgated pursuant to Section 121 of the Housing and Community Development Act of 1974, as amended.
- (*1) 8. The City Council is not presently in session but assurances are hereby given by the Mayor, signatory to this Application, that an appropriate Resolution encompassing all of the provisions of Item No. 5 above will be acted upon by the Council at its first regular meeting in the month of August, 1984.

8. It has identified all properties, if any, which are included on the National Register of Historic Places and which as determined by the applicant, will be affected by the project; it has identified all other properties, if any, which will be affected by the project and which, as determined by the applicant, may meet the criteria established by the Secretary of Interior for inclusion in the Register, together with the documentation relating to the inclusion of such properties on the Register; and it has determined the effect as determined by the applicant, of the project on the identified properties.

9. It will comply with:

- (A) Title VI of the Civil Rights Act of 1964 (Pub. L. 88-352), and implementing regulations issued at (24 CFR Part 1), which provides that no person in the United States shall on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and will immediately take measures necessary to effectuate this assurance.
- (B) Title VIII of the Civil Rights Act of 1968 (Pub. L. 90-284), as amended, administering all programs and activities relating to housing and community development in a manner to affirmatively further fair housing; and will take action to affirmatively further fair housing.
- (C) Section 109 of the Housing and Community Development Act of 1974, as amended; and the regulations issued pursuant thereto (24 CFR 570.601), which provide that no person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds provided under 24 CFR Part 570.
- (D) Section 3 of the Housing and Urban Development Act of 1968, as amended, and implementing regulations at 24 CFR Part 135, requiring that to the greatest extent feasible, opportunities for training and employment be given to lower-income residents of the project area and contracts for work in connection with the project be awarded to eligible business concerns which are located in, or owned in substantial part by, persons residing in the area of the project.

- (E) Executive Order 11246, as amended by Executive Orders 11375 and 12086 and implementing regulations issued at 41 CFR Chapter 60, which provides that no person shall be discriminated against on the basis of race, color, religion, sex, or national origin in all phases of employment during the performance of Federal or federally assisted construction contracts.
- (F) Executive Order 11063, and implementing regulations at 24 CFR Part 107, on equal opportunity in housing and non-discrimination on the sale or rental of housing built with Federal assistance.
- (G) Section 504 of the Rehabilitation Act of 1973, as amended, (Pub. L. 93-112) and implementing regulations when published for effect. Section 504 provides that no qualified handicapped person shall, on the basis of handicap, be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity which receives or benefits from Federal financial assistance.
- (H) The Age Discrimination Act of 1975, as amended, (Pub. L. 94-135) and implementing regulations (when published for effect);
- (I) The relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, implementing regulations at 24 CFR Part 42, and the special provisions of Section 570.457 concerning the relocation of residential tenants not covered by the Uniform Act;
- (J) The labor standards requirements as set forth in Section 570.605 and HUD regulations issued to implement such requirements;
- (K) The flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973, (Pub. L. 93-234);
- (L) The regulations, policies, guidelines and requirements of OMB Circular Nos. A-102, Revised and A-87 as they relate to the acceptance and use of Federal funds under this Part;
- (M) All requirements imposed by HUD concerning special requirements of law, program requirements and other administrative requirements approved in accordance with OMB Circular No. A-102, Revised.

10. It will establish safeguards to prohibit employees from using positions for a purpose that is or gives the appearance of being motivated by a desire for private gain for themselves or others, particularly those with whom they have family, business, or other ties.
11. It will comply with the provisions of the Hatch Act which limits the political activity of employees.
12. It will give HUD and the Comptroller General through any authorized representatives, access to and the right to examine all records, books, papers, or documents related to the grant.
13. It will insure that the facilities under its ownership, lease, or supervision which shall be utilized in the accomplishment of the program are not listed on the Environmental Protection Agency's (EPA) list of Violating Facilities and that it will notify HUD of the receipt of any communication from the Director of EPA Office of Federal Activities indicating that a facility to be used in the project is under consideration for listing by the EPA.
14. It will not, in carrying out the project, discriminate against any employee because of race, color, religion, sex, handicap, or national origin. It will take affirmative action to insure that applicants for employment are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to, the following: Employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The applicant shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by HUD setting forth the provisions of this non-discrimination clause. The applicant will in all solicitations or advertisements for employees placed by or on behalf of the applicant state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, handicap or national origin. The applicant will incorporate the foregoing requirements of this paragraph in all of its contracts for project work, except contracts for standard commercial supplies or raw materials or contracts covered under 24 CFR Part 570 subsection (c)(14)(ix)(E), and will require all of its contracts for such work to incorporate such requirements in all subcontracts for work done with funds provided under 24 CFR Part 570.
15. It certifies that it has not knowingly and willfully made or used a document or writing containing any false, fictitious, or fraudulent statement or entry. 18 U.S.C. 1001 provides that whoever does so within the jurisdiction of any department or agency of the United States shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

✓
Joseph R. Paolino, Jr.
Signature

July 31, 1984
Date

Mayor
Title

Note: A separate set of Assurances for Indians Tribes will be issued in the near future.

CONFIDENTIAL APPLICATION
FOR TAX EXEMPT REVENUE BOND FINANCING

RHODE ISLAND PORT AUTHORITY AND
ECONOMIC DEVELOPMENT CORPORATION
RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

APPLICATION FOR INDUSTRIAL DEVELOPMENT REVENUE BOND FINANCING

This information is necessary to process a request for revenue bond financing. Fill in all blanks, using "NONE" or "NOT APPLICABLE" where necessary. If an estimate is given, so indicate. If more space is needed to answer any specific question, use a separate sheet.

- (1) Return nine (9) copies of this application to the bond issuer agency at Seven Jackson Walkway, Providence, Rhode Island 02903; all information submitted on this form will be kept confidential.
- (2) PLEASE NOTE - THIS APPLICATION, FULLY FILLED OUT AND ACCOMPANIED BY A FIRM COMMITMENT LETTER FROM A PROSPECTIVE BOND PURCHASER, MUST BE RECEIVED AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE AGENCY MEETING AT WHICH IT WILL BE CONSIDERED.
- (3) Attach audited financial statements for the past three (3) fiscal years.
- (4) Attach pro forma balance sheet and statement of income for the first three (3) years of operation of the Project to be financed.
- (5) ALSO PLEASE NOTE that a public hearing must be held on the issuance of industrial development revenue bonds for this project prior to the issuance of the bonds. The meeting will be preceded by public notice duly given in a newspaper of general circulation at least FOURTEEN (14) DAYS prior to the hearing.
- (6) PLEASE ENCLOSE WITH THIS APPLICATION FORM A CHECK OR MONEY ORDER IN THE AMOUNT OF \$150.00, MADE PAYABLE TO THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION TO COVER THE COST OF PUBLISHING THE NOTICE FOR THIS ISSUE. The cost of publishing such notice is non-refundable.

SUMMARY

1. Applicant Providence Hotel Associates
Applicant's Business Address In care of Jacques V. Hopkins, 2200 Fleet
National Bank Building, Providence, Rhode Island 02903
2. Parent/Guarantor (if any) None
Address _____
3. Amount of Financing Requested \$9,500,000
4. Applicant's Type of Business Hotel ownership and operation
5. Standard Industrial Classification Code Number _____
6. Description of Operations to be Conducted at the Project The applicant proposes
to acquire and renovate the Biltmore Hotel and continue its operation
as a hotel
7. Contact Person Jacques V. Hopkins
Telephone Number (401) 274-2000

PART I
APPLICANT

- A. Organization: Corporation _____
Partnership X (limited partnership) _____
- B. State of Organization Rhode Island _____
Date In process of being formed _____
- C. List subsidiaries and states of incorporation.
 None _____

- D. Publicly held _____ Stock Exchange _____
- E. Privately held X _____
(1) Number of shareholders See Schedule A _____
(2) Provide shareholder information on Schedule A _____
- F. Name of Parent Company (if applicable).
 None _____
(1) Percent ownership --- _____
 None
- G. Date of last annual meeting _____
- H. Provide company officer information required on Schedule B .
- I. General Counsel to Corporation.
Firm Hinckley, Allen, Tobin & Silverstein _____
Individual Jacques V. Hopkins _____
Address 2200 Fleet National Bank Building _____
 Providence, Rhode Island 02903 _____

Local Counsel (if any)

Firm Not applicable

Individual _____

Address _____

PART II

GUARANTOR - Not Applicable

- A. Organization: Corporation _____
Partnership _____
- B. State of Organization _____
Date _____
- C. List subsidiaries and states of incorporation.

- D. Publicly held _____ Stock Exchange _____
- E. Privately held _____
- (1) Number of shareholders _____
- (2) Provide shareholder information required on Schedule A.
- F. Date of last annual meeting _____
- G. Provide officer information required on Schedule B.

PART III
FINANCIAL INFORMATION

1. Auditors
Firm Peat, Marwick, Mitchell & Co.
Individual Harry J. Baird
2. (A) Attach financial statements for last three years.
(B) None available; newly-formed partnership.
Are they audited? n/a See note below.
3. Attach pro forma balance sheet and statement of income for first three (3) years of operation of the Project.
4. Fiscal Year Calendar
5. Financial operations summary (last fiscal year).
Current Assets N/A
Current Liabilities N/A
Total Assets N/A
Total Liabilities N/A
Net Worth N/A

NOTE: Entities wishing to avail themselves of tax exempt revenue bond financing are required to have annual audited financial statements. If the applicant has never had audited financial statements, provisions must be made for audited financials by the end of the current fiscal year. Please contact the Port Authority's Deputy Director - Finance and Administration if you have questions on this subject (401-277-2601).

PART IV

PROJECT

1. Description of the Project (describe the nature, type and purpose of the facility and/or equipment to be financed.)

The limited partnership will purchase the Biltmore Plaza Hotel,
a 329 room, full-service downtown hotel with 4 restaurants and
various public meeting/banquet rooms, plus limited retail and
office usage. Upon purchase, a renovation program will be under-
taken, including some renovation to all the guest rooms, and
limited renovation/rehabilitation to the public areas.

2. Project Site

(A) Acreage of real estate to be acquired 22,277 sq. ft.

(B) Square footage of existing buildings and/or buildings to be
 constructed 322,000

(C) Present Owner Biltmore Hotel Associates

- (1) If the present owner is not the applicant, is such owner in any way related to the applicant (e.g., by familial relation; stock ownership; common ownership interests in a partnership, joint venture or other enterprise)?

(D) If applicant has owned the Project site for less than two years, give: See Schedule A

Date of Purchase See Schedule A

Purchase Price See Schedule A

Former Owners See Schedule A

- (1) Is the former owner in any way related to the applicant (e.g., by familial relation; stock ownership; common ownership in a partnership; joint venture or other enterprise)?

See Schedule A

If any existing mortgages:

(1) Amount outstanding See Schedule A

(2) Name of mortgagee See Schedule A

(E) Is the Project site properly zoned for the applicant's proposed use? Yes

(F) Is there water on the site or within 100 feet of the site boundaries (e.g., pond, stream, marsh)? No

Has the site been designated a wetland by the Department of Environmental Management (DEM)? No. If so, has DEM (277-6820) issued a permit? _____

(G) Is the site within a flood hazard area as determined by the Rhode Island Statewide Planning Program (277-2656)? No

(H) Project location (Enclose map showing site location in relation to bounding streets).

Street See map attached

Town/City Providence

3. Construction

(A) Name and address of contractor Not yet selected

Date of contract ---

Contract price ---

Date of commencement of construction Fall of 1984

(B) Name and address of architect Not yet selected

Date of contract ---

NOTE: (1) All construction contracts and subcontracts are required to be covered by 100% performance and payment bonds in dual obligee form and the construction and architect contracts must be assignable to the bond issuing entity upon default.

(2) All disbursements of bond proceeds for construction must be substantiated in a manner satisfactory to the bond issuer and must be reviewed and approved by an independent architect or engineer. The architect or engineer may be the architect or engineer engaged by the applicant for the Project, but, in no case may it be an employee of the applicant or a related corporation.

(3) The applicant is reminded that in most cases, the State Building Inspector must approve all plans for the Project.

4. Machinery and Equipment

- (A) Amount needed for machinery and equipment Not yet known
- (B) Is the present owner of the machinery and equipment in any way related to the applicant (e.g., by familial relation; stock ownership; common ownership in a partnership, joint venture or other enterprise)? See Schedule A
- (C) Is equipment new? ---
- (D) Is equipment subject to any prior liens? ---
- (E) Will equipment be located on Project site? Yes
- (F) If not, where? N/A

NOTE: ONLY PROJECT COSTS WHICH HAVE BEEN INCURRED AFTER THE ADOPTION OF AN INDUCEMENT RESOLUTION BY THE BOND ISSUER ARE ELIGIBLE FOR FINANCING WITH THE PROCEEDS OF TAX EXEMPT REVENUE BONDS. THIS IS ALSO TRUE FOR ANY AMOUNTS PAID TOWARD THE PURCHASE OF LAND.

PART V
EMPLOYMENT

1. How many present employees in Rhode Island? 330
2. Projected increase in employment due to Project:
 - at Completion of Project 333
 - at Completion plus one year 338
 - at Completion plus three years 350
3. Please give number and job description of present and prospective employees in following hourly wage rate categories:

	Present Employees	New Employees as a Result of Project at Completion plus one year	Job Descriptions
\$3.00 - \$4.00 per hour	<u>49</u>	<u>4</u>	<u>waiter/bellhop</u>
\$4.00 - \$5.00 per hour	<u>25</u>	<u>0</u>	
\$5.00 - \$7.00 per hour	<u>213</u>	<u>2</u>	<u>Supervisory/Secretary</u>
\$7.00 - \$10.00 per hour	<u>30</u>	<u>1</u>	<u>Salesman</u>
Over \$10.00 per hour	<u>13</u>	<u>1</u>	<u>Manager</u>

4. a. Please give number and description of the types of new jobs which, will result from the Project (e.g. 10 supervisory, 35 skilled manufacturing, 5 secretarial, 2 clerks, 2 administrators).

3 semi-skilled, 1 supervisory, 1 secretarial,

1 sales, 1 manager

- b. Will training of new employees be required? Yes

5. Is applicant's business unionized? Yes

NOTE: Employment levels will be monitored by the staff of the bond issuer throughout the term of the financing for comparison with applicant's projections.

PART VI
OPERATIONS

1. Describe the basic operation to be conducted at the Project site. Operate a full-service hotel, with restaurants, and public meeting/banquet rooms.
2. Does the operation of the Project present any potential water pollution problems?
No
 - (A) Are any chemicals or other waste material other than sanitary waste used in the operations discharged into a sewer system? No
 - (B) If yes, do you have approval from the respective sewer authority? _____
 - (C) Which sewer system is used? City of Providence
3. Does the operation of the Project require the use of water for other than sanitary purposes? No. If so,
 - (A) Total gallons per month of water required _____
 - (B) Has approval from the applicable water agency been obtained? _____
4. Does the operation of the Project present any air pollution hazards? No
 - (A) Have air pollution control methods been approved by the Department of Environmental Management? _____
5. If the applicant presently conducts operations similar to those to be conducted at the Project site, has any government agency notified the applicant of any water or air pollution violations? No
 - (A) If so, when? _____
 - (B) What was the resolution of the action? _____
6. Is any litigation pending or threatened which would affect the applicant's ability to complete and operate the Project? None. If so, please describe. _____

PART VII
FINANCING

1. Total Project Costs

A.	Land		\$ 7,550,000
B.	Construction)	
C.	Machinery/Equipment and Soft)	
	Goods (Linen, etc.))	4,700,000
D.	Costs of Issuance , UDAG fee, and)	
	Syndication Costs)	
E.	Capitalized Interest)	4,250,000
F.	Miscellaneous and)	
	Contingencies)	
TOTAL			\$ 16,500,000*

2. Loan Specifics

A. Amount of financing requested \$ 9,500,000

B. Purchaser of bonds The Connecticut Bank and Trust Company, N.A.
Contact person Donna M. Pellegrini

C. Date by which funds required _____

3. Proposed Security for Financing

A. First mortgage on real property of Project site? Yes

B. First lien on equipment to be financed? Yes

C. If other security is offered, please describe.
Bank letters of credit in an amount yet to be determined.

*Note: Sources for project costs of \$7,000,000 in excess of gross proceeds industrial revenue bond of \$9,500,000 have been identified and will be a combination of general partner equity, limited partner investments and UDAG grant.

- D. Will there be any other liens on the Project to be financed? _____ .
If so, please describe.
- _____
- _____

4. Capital Expenditures: if the amount requested is over \$1,000,000, please list.

- A. The amount of capital expenditures for the last three years in the city of town in which the Project is to be located.

1981 - \$189,110

1982 - \$128,248

1983 - \$446,094

- B. The amount of capital expenditures projected by the applicant to be made in the city or town in which the Project is to be located for the next three years (excluding capital expenditures to be made from proceeds of this financing).

\$3,500,000

- C. Capital expenditures incurred during the last three years for any facility in a town or city directly adjacent to the town in which the Project is to be located.

None

- D. Please list all tenants and subtenants of the facility.

	Tenant/Subtenant	% of Facilities Leased	Capital Expenses for Last Three Years
1)	See Schedule C		
2)			
3)			

Eligibility for financial assistance by the bond issuer will be determined by the information presented in this application. Any changes in the status of the proposed Project from the facts presented herein could disqualify the Project, including, but not limited to, the commencement of construction or the award or execution of a contract for construction or for the acquisition of assets such as land or equipment. Please contact the staff of the bond issuer before taking any action which would change the status of the Project as reported herein.

I further certify that I am familiar with the provisions of:

- (1) the "Rhode Island Port Authority and Economic Development Corporation Act" (Chapter 64 of Title 42 of the Rhode Island General Laws); and
- (2) The "Rhode Island Industrial Facilities Corporation Act" (Chapter 37.1 of Title 45 of the Rhode Island General Laws)

and that to the best of my knowledge I have complied or will comply with all the requirements thereof which are prerequisites to approval of tax exempt revenue bond financing thereunder.

By: MHW COMPANY

a General Partner

SIGNATURE _____ a General Partner

NAME (PRINT) Jacques V. Hopkins

TITLE Assistant Secretary

DATE July 13, 1984

Confidential Application for Tax Exempt
Revenue Bond Financing

Applicant: Providence Hotel Associates

Schedule A

Part 1, Question E.

Question: Give number of shareholders and provide shareholder information.

Providence Hotel Associates is a Rhode Island limited partnership. The initial general partner is MHW Company, an existing Rhode Island corporation, all of the issued and outstanding capital shares of which will be owned by James R. Winoker of 15 Morrison Street, Providence, Rhode Island 02906, and Mr. Winoker's friend and long-time business associate, Domenic A. Zinni of 74 Marine Drive, Great Island, Narragansett, Rhode Island 02882. A corporate member of the Dunfey group (which, through another subsidiary, currently manages the hotel) has indicated an interest in becoming a second general partner.

Part IV, Question 2.(C) (1) and Question 2.(D).

Questions: If applicant has owned the Project site for less than two years, give date or purchase, purchase price, and former owner. Describe any relationship of former owner to applicant. Describe outstanding mortgages.

The hotel property is currently owned by Biltmore Hotel Associates (BHA), the general partners of which are subsidiaries of four Providence companies: The Providence Journal Company, The Outlet Company, Textron, Inc., and Business Development Company of Rhode Island.

Bruce G. Sundlun, an executive of The Outlet Company, will be a lender to or a shareholder of MHW Company but will not have an interest in the limited partnership. The exact nature of Mr. Sundlun's participation in MHW Company has not yet been determined. He will be making \$250,000 available to MHW Company on one basis or the other. The remaining capital of MHW Company, an additional \$1,550,000, will be invested by Mr. Winoker and Mr. Zinni.

In addition to the general partners, limited partnership interests will be sold to investors. It is anticipated that these investors will provide in excess of \$2,000,000.

Existing mortgages are held by Fleet National Bank and the U.S. Economic Development Administration (EDA). Providence Hotel Associates will assume the liability of BHA under an existing Fleet National Bank mortgage having a current balance in the amount of approximately \$7,900,000. In connection with that assumption, BHA will be relieved of any further liability with respect to the mortgage.

Providence Hotel Associates will also purchase the two EDA mortgages and mortgage notes for \$550,000. These mortgages and mortgage notes will be discharged and cancelled at the closing, thus relieving Biltmore Hotel Associates of any further liability to EDA.

Part IV, Question 4(B).

Question: Is the present owner of the machinery and equipment in any way related to the applicant?

Some of the machinery and equipment is owned by Biltmore Hotel Associates, the present owner of the hotel. As is mentioned above, Bruce G. Sundlun, an executive of The Outlet Company which was a partner in Biltmore Hotel Associates, will be either a creditor or shareholder of NHW Company.

Schedule B

Part I, Question H.

Question: Provide company officer information required on Schedule B.

The limited partnership will not have officers as such. Day-to-day hotel operations will be the responsibility of a Dunfey group subsidiary which currently manages the hotel.

Policy decision making will be the responsibility of MHW Company, a general partner of the limited partnership, or its investors, and if the Dunfey group corporation mentioned above becomes a second general partner, then that Dunfey corporation will also take part in policy decision making.

Confidential Application for Tax Exempt
Revenue Bond Financing
Page Three

Officers and directors of MHW Company will be:

<u>Name</u>	<u>Position</u>
James R. Winoker	President and Director, Assistant Treasurer
Michael P. Metcalf	Treasurer and Director
Bruce G. Sundlun	Secretary and Director
Jacques V. Hopkins	Assistant Secretary

The officers and directors of the Dunfey corporate
general partner will be Dunfey personnel.

Schedule C

APPENDIX A

Provenance Limited d/b/a Provenance Variety Shop	Less than 1%
Provenance Limited d/b/a Provenance Gallery	" " "
Torino Creations, Inc.	" " "
Hertz Corporation	" " "
Kaplans Travel Bureau	" " "
Massachusetts Audio Visual Equipment Corp.	" " "
Traffic Net	" " "
Dee Manufacturing Co.	" " "
Gazebo Flower Shop	" " "
Manufacturing Jewelers & Silversmiths of America, Inc.	1.8%
Rhode Island Builders Association	Less than 1%
Reflections Hair Design	" " "
Giovanni Jewelry	" " "
Torino Creations	" " "
Tivoli Jewelry Inc.	" " "

Schedule C



BILTMORE PLAZA
EQUITY GROUP MEETING

MAY 18, 1984

PROGRAM I

Program #1 would upgrade all bathrooms and guest rooms with the exception of 40 standard and 10 superior rooms, which would receive no treatment. In addition, approximately \$250,000 would be spent upgrading the existing guest corridors, the lobby and L'Apogee. The total cost of Program #1 including all fees, freight and taxes is approximately \$2,600,000.

In Program #1 the 20 existing suites and 87 existing deluxe rooms baths would all be renovated with marble, at a cost of \$5,000 per bathroom. The remaining 172 standard and superior rooms would be upgraded with high- quality Corian product at a cost of approximately \$3,000 per bathroom. The vast majority of the current bathrooms has never been substantially upgraded and those few that have were done in a style that is not at all suitable for today's traveling guest. While the age of the plumbing fixtures vary from bathroom to bathroom, almost all contain the original 1922 tile. Over the 62 years that the hotel has been in existence, time has taken its toll to the point where we now have a vastly inferior product to our competition. The transformation of these bathrooms into an upgraded product will have a significant impact on guest acceptance of the entire bedroom product. While our bathrooms remain somewhat smaller than our competitors', the feeling of luxury created in both the marble and the Corian baths should more than outweigh its drawback in size.

Program #1 also calls for the substantial refurnishing of all guest rooms (except for the 50 guest rooms mentioned above). The design criteria for the refurnishing for these rooms has been to reuse as much of the existing furniture as possible, but to keep in mind that the "new" room should appear fresh, and new, and inviting to the traveler. Attached to this report is a detailed summary of what new furniture will be needed by room type. In most cases we have kept the existing headboard and night stands and other miscellaneous pieces of furniture. New furniture consists primarily of some new chairs, tables and chest/desks. All rooms scheduled for new furniture will receive some soft goods treatment, also detailed on the attached schedule. With the exception of the standard room, which receives new carpet, all renovated guest rooms will receive new bedspreads and drapes. It is felt that the current wall covering can be blended into the decor of any new furnishings and/or soft goods that are specified.

In this program, corridors would receive approximately \$9,000 of upgrade each. Included in the upgrade would be new furnishings and carpet for the elevator landings, that would tie into the scheduled renovation of the lobby, detailed below.

The lobby is scheduled for \$100,000 worth of renovation which includes new carpeting and some painting and furnishings. It is felt that this money is needed at an absolute minimum as the present carpet is 5 years old and has received substantial wear over that period of time.

L'Apogee, like the lobby, has received substantial wear and tear over its 5-year life. Included in this project would be the replacement of carpet and some painting and wall work to soften the feeling of the room, particularly during the day.

BILTMORE PLAZA HOTEL
Rooms Renovation Project

	Suites	Deluxe	Superior	Standard	
Number of rooms	20	87	102	120	
<u>F.F.&E DESCRIPTION</u>					
Lamps/light fixtures	⑤ 400	③ 300	③ 250	② 250	
Table, coffee		① 300			
Desk		① 300			
Dresser		① 400			
Desk/Chest			① 400	① 400	
Fabric/Headboard		100	75	50	
Bench				① 150	
Chair, lounge		② 500	① 250		
Chair, desk	① 100	① 100	② 200	① 100	
Table, party			① 200	① 200	
Chair, folding	④ 300				
Mirror	① 200				
Artwork	① 200				
TV Stand		① 25	① 25	① 25	
Phone, wall				50	
SUB TOTAL	\$1,200	\$2,025	\$1,400	\$1,225	
MULTIPLIED BY NUMBER OF ROOMS	\$24,000	\$176,175	\$142,800	\$147,000	\$489,975
<u>SOFT GOODS DESCRIPTION</u>					
Bedspreads	125	150	125	75	
Carpet				300	
Drapes	1,300	900	300	300	
SUB TOTAL	\$1,425	\$1,050	\$425	\$675	
MULTIPLIED BY NUMBER OF ROOMS	\$28,500	\$91,350	\$43,350	\$81,000	\$244,200
TOTAL	\$52,500	\$267,525	\$186,150	\$228,000	\$734,175

PROGRAM #1

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		0	20	87	92	80	279
CONSTRUCTION							
ROOM CONSOLIDATION	6,400	0					0
CORRIDORS							
BATH UPGRADE							
MARBLE	5,000	0	100,000	435,000			535,000
CORIAN	3,000				276,000	240,000	516,000
CLOSETS - SUITES & DELUXE	0	0	0	0			0
- SUPER. & STDs.	0				0	0	0
PAINT AND VINYLs LABOR-							
SUITES & DELUXE	0	0	0	0			0
SUPER. & STD	0				0	0	0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	0					0
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				128,800		128,800
STANDARD	1,225					98,000	98,000
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	0					0
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,025			89,175			89,175
SUPERIOR	425				39,100		39,100
STANDARD	675					54,000	54,000
OTHER	NA						0
TOTAL		0	152,500	700,350	443,900	392,000	1,688,750
FREIGHT @6% OF FF&E AND							
SOFT GOODS		0	3,150	15,921	10,074	9,120	38,265
SALES TAX @6% OF FF&E AND							
SOFT GOODS		0	10,860	57,942	36,708	32,640	138,150
PURCHASING @5% OF FF&E							
AND SOFT GOODS		0	2,625	13,268	8,395	7,600	31,888
INSTALLATION	200	0	4,000	17,400	18,400	16,000	55,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		0	173,135	804,881	517,477	457,360	1,952,853

14-May-84

BILTMORE PLAZA RENOVATION

LOW LEVEL UPGRADE

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L'APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	279					279
CONSTRUCTION						
ROOM CONSOLIDATION	0					0
CORRIDORS						0
BATH UPGRADE						
MARBLE	535,000					535,000
CORIAN	516,000					516,000
CLOSETS - SUITES & DELUXE	0					0
- SUPER. & STDS.	0					0
PAINT AND VINYL LABOR-						
SUITES & DELUXE	0					0
SUPER. & STD	0					0
OTHER	0					0
FURNISHINGS & EQUIPMENT						
NEW DELUXE	0					0
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	128,800					128,800
STANDARD	98,000					98,000
OTHER	0	12,000				12,000
SOFT GOODS						
NEW DELUXE	0					0
SUITES	28,500					28,500
EXISTING DELUXE	89,175					89,175
SUPERIOR	39,100					39,100
STANDARD	54,000					54,000
OTHER	0	96,000	100,000	50,000		246,000
TOTAL	1,688,750	108,000	100,000	50,000	0	1,946,750
FREIGHT @6% OF FF&E AND						
SOFT GOODS	38,265	6,480	6,000	3,000	0	53,745
SALES TAX @6% OF FF&E AND						
SOFT GOODS	138,150	12,960	12,000	6,000	0	169,110
PURCHASING @5% OF FF&E						
AND SOFT GOODS	31,888	5,400	5,000	2,500	0	44,788
INSTALLATION	55,800					55,800
ARCHITECTURAL FEES	0					0
INTERIOR DESIGNER	0				75,000	75,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				65,000	65,000
CONTINGENCY	0				200,000	200,000
TOTAL	1,952,853	132,840	123,000	61,500	140,000	2,610,193

PROGRAM 2

Program #2 is the same in all respects as Program #I, except that the 10 superior and 40 standard rooms that were not upgraded in Program #I would receive the same treatment as all other standard and superior rooms. Total cost for this project is approximately \$2,900,000.

14-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #2

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		0	20	87	102	120	329
CONSTRUCTION							
ROOM CONSOLIDATION	6,400	0					0
CORRIDORS							
BATH UPGRADE							
MARBLE	5,000	0	100,000	435,000			535,000
CORIAN	3,000				306,000	350,000	666,000
CLOSETS - SUITES & DELUXE	0	0	0	0			0
- SUPER. & STDS.	0				0	0	0
PAINT AND VINYL LABOR-							
SUITES & DELUXE	0	0	0	0			0
SUPER. & STD	0				0	0	0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	0					0
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				142,800		142,800
STANDARD	1,225					147,000	147,000
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	0					0
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,025			89,175			89,175
SUPERIOR	425				43,350		43,350
STANDARD	675					81,000	81,000
OTHER	NA						0
TOTAL		0	152,500	700,350	492,150	588,000	1,933,000
FREIGHT @6% OF FF&E AND							
SOFT GOODS		0	3,150	15,921	11,169	13,680	43,920
SALES TAX @6% OF FF&E AND							
SOFT GOODS		0	10,860	57,942	40,698	48,960	158,460
PURCHASING @5% OF FF&E							
AND SOFT GOODS		0	2,625	13,268	9,308	11,400	36,600
INSTALLATION	200	0	4,000	17,400	20,400	24,000	65,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		0	173,135	804,881	573,725	686,040	2,237,780

14-May-84

BILTMORE PLAZA RENOVATION

LOW LEVEL UPGRADE

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L'APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	329					329
CONSTRUCTION						
ROOM CONSOLIDATION	0					0
CORRIDORS						0
BATH UPGRADE						
MARBLE	535,000					535,000
CORIAN	666,000					666,000
CLOSETS - SUITES & DELUXE	0					0
- SUPER. & STDS.	0					0
PAINT AND VINYL LABOR-						
SUITES & DELUXE	0					0
SUPER. & STD	0					0
OTHER	0					0
FURNISHINGS & EQUIPMENT						
NEW DELUXE	0					0
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	142,800					142,800
STANDARD	147,000					147,000
OTHER	0	12,000				12,000
SOFT GOODS						
NEW DELUXE	0					0
SUITES	28,500					28,500
EXISTING DELUXE	89,175					89,175
SUPERIOR	43,350					43,350
STANDARD	81,000					81,000
OTHER	0	96,000	100,000	50,000		246,000
TOTAL	1,933,000	108,000	100,000	50,000	0	2,191,000
FREIGHT @6% OF FF&E AND						
SOFT GOODS	43,920	6,480	6,000	3,000	0	59,400
SALES TAX @6% OF FF&E AND						
SOFT GOODS	158,460	12,960	12,000	6,000	0	189,420
PURCHASING @5% OF FF&E						
AND SOFT GOODS	36,600	5,400	5,000	2,500	0	49,500
INSTALLATION	65,800					65,800
ARCHITECTURAL FEES	0					0
INTERIOR DESIGNER	0				75,000	75,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				72,000	72,000
CONTINGENCY	0				200,000	200,000
TOTAL	2,237,780	132,840	123,000	61,500	147,000	2,902,120

PROGRAM 3

Program #3 includes all the elements of Program #2 except that 50 standard and 30 superior rooms would be converted into 40 new deluxe rooms. The total cost of Program #3 is \$3,462,000.

The purpose of the rooms consolidation project is to increase the number of deluxe rooms in the hotel, in order to make the hotel more marketable for the less price-sensitive market segments (pure transient and ESP). 80 smaller guest rooms (50 standard size rooms each approximately 10' wide and 30 superior-type rooms, each approximately 13' wide) would be converted to 40 new deluxe rooms. Ten of the new deluxe rooms will be made from 2 standard rooms that exist side-by-side off the elevator landings on the 4th, 5th, 6th, 12th and 16th floors. The remaining 30 deluxe rooms will be made from existing standard and superior rooms on the 6th and 12th floors, each conversion will be done at a cost of approximately \$20,000. Included in this cost are new case goods (night stands, desks, chairs, sleep sofas, coffee tables, etc.) and all new soft goods (drapes, carpet, vinyl, bedspreads, etc.) (see attached schedule). Unlike the current deluxe rooms which would make use of the existing furniture, there is very little furniture in the rooms to be consolidated that could be reused in the new deluxe rooms. Therefore, these rooms will become, because of the new decor and furnishings in the rooms, somewhat higher in quality than the existing deluxe rooms and will be marketed as such to the very top end of the Providence market. Also included in the cost of the renovation is a new marble

bath that will be similar to the marble bath specified for the existing deluxe rooms (including a relocated vanity from the current bathroom space to what was formerly the entryway for that room, giving the newly reconfigured bathroom a more spacious feeling and giving the person using the sink, privacy from the bathroom). These new deluxe rooms, like the existing deluxe rooms, would have a seating area with a sofa, two lounge chairs, a coffee table and planters; and a sleeping area with two queen size beds. The TV will be located on a stand so that it can be viewed from either the seating area or the bed area. A small wet bar will be constructed in the area just off the seating area near the newly created vanity. The furnishings and decor in this room will be residential in feeling, comfort and high in quality.

I. FURNITURE, FIXTURES, EQUIPMENT (F.F.&E.)

1 - night stand	\$200
1 - desk	500
1 - desk chair	200
2 - lounge chairs	900
1 - sleep sofa	800
1 - coffee table	500
3 - planters	300
4 - lamps	400
1 - dresser	500
2 - benches	500
drapes (installed)	900
carpet (installed)	900
2 - spreads	150
vinyl (cost only)	450
2 - headboards	300

\$7,500

\$ 7,500

II. CONSTRUCTION

Demolition	\$1,000
Carpentry, Drywall	4,500
Electrical	500
Tile	500
Marble	750
Plumbing	500
Painting, vinyl (installation)	2,000
Misc. Hardware	500
Contingency	<u>1,000</u>

\$11,250

\$ 11,250

III. FEES, FREIGHT, TAX

\$ 1,200

\$ 1,200

TOTAL

\$ 19,950

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #3

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		40	20	87	72	70	289
CONSTRUCTION							
ROOMS CONSOLIDATION	6,400	256,000					256,000
CORRIDERS							
BATH UPGRADE							
MARBLE	5,000	200,000	100,000	435,000			735,000
CORIAN	3,000				216,000	210,000	426,000
CLOSETS - SUITES & DELUXE	600	24,000	12,000	52,200			88,200
- SUPER. & STDS.	300				21,600	21,000	42,600
PAINT AND VINYL LABOR-							
SUITES & DELUXE	1,000	40,000					40,000
SUPER. & STD	500						0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	180,000					180,000
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				100,800		100,800
STANDARD	1,225					85,750	85,750
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	96,000					96,000
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,050			91,350			91,350
SUPERIOR	425				30,600		30,600
STANDARD	675					47,250	47,250
OTHER	NA						0
TOTAL		796,000	164,500	754,725	369,000	364,000	2,448,225
FREIGHT @6% OF FF&E AND							
SOFT GOODS		16,560	3,150	16,052	7,884	7,980	51,626
SALES TAX @6% OF FF&E AND							
SOFT GOODS		16,560	11,580	61,335	30,024	29,820	149,319
PURCHASING @5% OF FF&E							
AND SOFT GOODS		13,800	2,625	13,376	6,570	6,650	43,021
INSTALLATION	200	8,000	4,000	17,400	14,400	14,000	57,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		850,920	185,855	862,888	427,878	422,450	2,749,991

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #3

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L' APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	289					289
CONSTRUCTION						
ROOMS CONSOLIDATION	256,000					256,000
CORRIDERS						0
BATH UPGRADE						
MARBLE	735,000					735,000
CORIAN	426,000					426,000
CLOSETS - SUITES & DELUXE	88,200					88,200
- SUPER. & STDS.	42,600					42,600
PAINT AND VINYL LABOR-						
SUITES & DELUXE	40,000					40,000
SUPER. & STD	0					0
OTHER	0					0
FURNISHINGS & EQUIPMENT						
NEW DELUXE	180,000					180,000
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	100,800					100,800
STANDARD	85,750					85,750
OTHER	0	12,000				12,000
SOFT GOODS						
NEW DELUXE	96,000					96,000
SUITES	28,500					28,500
EXISTING DELUXE	91,350					91,350
SUPERIOR	30,600					30,600
STANDARD	47,250					47,250
OTHER	0	96,000	100,000	50,000		246,000
TOTAL	2,448,225	108,000	100,000	50,000	0	2,706,225
FREIGHT @6% OF FF&E AND						
SOFT GOODS	51,626	6,480	6,000	3,000	0	67,106
SALES TAX @6% OF FF&E AND						
SOFT GOODS	149,319	6,480	6,000	3,000	0	164,799
PURCHASING @5% OF FF&E						
AND SOFT GOODS	43,021	5,400	5,000	2,500	0	55,921
INSTALLATION	57,800					57,800
ARCHITECTURAL FEES	0				50,000	50,000
INTERIOR DESIGNER	0				75,000	75,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				85,000	85,000
CONTINGENCY	0				200,000	200,000
TOTAL	2,749,991	126,360	117,000	58,500	410,000	3,461,851

PROGRAM #4

Program #4 includes all the elements of Program #3 except that the lobby would receive substantial upgrade and L'Apogee would receive monies substantial enough to remarket and possibly rename the restaurant. Total cost is approximately \$3,990,000.

The focus of the lobby restoration will be to do just that, to restore the lobby in a way that would suggest its original elegance. Greater emphasis would be placed on the adamesque architectural-style, with particular attention to the ceiling and decorative molding work on all three levels. The colors will be softened through the use of a different wall treatment and new carpet and drapes. The front desk will be somewhat changed in order to make it more welcoming and hospitable. Appropriate furniture will be added to make the lobby a more comfortable place.

An additional \$50,000 will be spent in L'Apogee on wall treatment, some reupholstery and decor items. This renovation will allow us to remarket, and possibly rename, the restaurant. The general emphasis here will be to "deformalize" the restaurant. Our efforts have already started in this area by reducing the scope and formality of the menu. The wait persons attire is now less severe. While this has produced positive results so far we feel that more must be done. While a hotel like the Biltmore does require an elegant dining room, it is our feeling that L'Apogee and all that it has represented has "overshot the mark" The new restaurant

would be much more compatable with the dining needs of the targeted rooms customers that the hotel needs to attract in order to be successful.

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #4

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		40	20	87	72	70	289
CONSTRUCTION							
ROOMS CONSOLIDATION	6,400	256,000					256,000
CORRIDERS							
BATH UPGRADE							
MARBLE	5,000	200,000	100,000	435,000			735,000
CORIAN	3,000				216,000	210,000	426,000
CLOSETS - SUITES & DELUXE	600	24,000	12,000	52,200			88,200
- SUPER. & STDS.	300				21,600	21,000	42,600
PAINT AND VINYL LABOR-							
SUITES & DELUXE	1,000	40,000					40,000
SUPER. & STD	500						0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	180,000					180,000
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				100,800		100,800
STANDARD	1,225					85,750	85,750
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	96,000					96,000
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,050			91,350			91,350
SUPERIOR	425				30,600		30,600
STANDARD	675					47,250	47,250
OTHER	NA						0
TOTAL		796,000	164,500	754,725	369,000	364,000	2,448,225
FREIGHT @6% OF FF&E AND							
SOFT GOODS		16,560	3,150	16,052	7,884	7,980	51,626
SALES TAX @6% OF FF&E AND							
SOFT GOODS		16,560	11,580	61,335	30,024	29,820	149,319
PURCHASING @5% OF FF&E							
AND SOFT GOODS		13,800	2,625	13,376	6,570	6,650	43,021
INSTALLATION	200	8,000	4,000	17,400	14,400	14,000	57,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		850,920	185,855	862,888	427,878	422,450	2,749,991

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #4

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L'APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	289					289
CONSTRUCTION						
ROOMS CONSOLIDATION	256,000					256,000
CORRIDERS						0
BATH UPGRADE						
MARBLE	735,000					735,000
CORIAN	426,000					426,000
CLOSETS - SUITES & DELUXE	88,200					88,200
- SUPER. & STDS.	42,600					42,600
PAINT AND VINYL LABOR-						
SUITES & DELUXE	40,000					40,000
SUPER. & STD	0					0
OTHER	0		275,000			275,000
FURNISHINGS & EQUIPMENT						
NEW DELUXE	180,000					180,000
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	100,800					100,800
STANDARD	85,750					85,750
OTHER	0	12,000	100,000	50,000		162,000
SOFT GOODS						
NEW DELUXE	96,000					96,000
SUITES	28,500					28,500
EXISTING DELUXE	91,350					91,350
SUPERIOR	30,600					30,600
STANDARD	47,250					47,250
OTHER	0	96,000	25,000	50,000		171,000
TOTAL	2,448,225	108,000	400,000	100,000	0	3,056,225
FREIGHT @6% OF FF&E AND						
SOFT GOODS	51,626	6,480	7,500	6,000	0	71,606
SALES TAX @6% OF FF&E AND						
SOFT GOODS	149,319	6,480	7,500	6,000	0	169,299
PURCHASING @5% OF FF&E						
AND SOFT GOODS	43,021	5,400	6,250	5,000	0	59,671
INSTALLATION	57,800					57,800
ARCHITECTURAL FEES	0				75,000	75,000
INTERIOR DESIGNER	0				100,000	100,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				100,000	100,000
CONTINGENCY	0				300,000	300,000
TOTAL	2,749,991	126,360	421,250	117,000	575,000	3,989,601

PROGRAM 5

Program #5 includes an additional \$100,000 of upgrade in L'Apogee and approximately \$250,000 more to complete the work needed to be done in the corridors. Total cost of Program #5 is approximately \$4,408,000.

The corridor project would include, in addition to carpeting and furnishings in the elevator landings, new carpet and new lighting fixtures in the existing corridors. Upgraded wall treatment has already been achieved and it is not recommended at this time, that this be done.

The additional \$100,000 scheduled for L'Apogee under Program #5 would be used to substantially change the decor treatment scheduled for that room. This would further enhance the ability to remarket and rename the restaurant and therefore, remarket the hotel.

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #5

DESCRIPTION	UNIT COST	NEW DELUXE	SUITES	EXIST. DELUXE	SUPERIOR	STANDARD	TOTAL ROOMS
NUMBER OF ROOMS		40	20	87	72	70	289
CONSTRUCTION							
ROOMS CONSOLIDATION	6,400	256,000					256,000
CORRIDORS							
BATH UPGRADE							
MARBLE	5,000	200,000	100,000	435,000			735,000
CORIAN	3,000				216,000	210,000	426,000
CLOSETS - SUITES & DELUXE	600	24,000	12,000	52,200			88,200
- SUPER. & STDS.	300				21,600	21,000	42,600
PAINT AND VINYL LABOR-							
SUITES & DELUXE	1,000	40,000					40,000
SUPER. & STD	500						0
OTHER	NA						0
FURNISHINGS & EQUIPMENT							
NEW DELUXE	4,500	180,000					180,000
SUITES	1,200		24,000				24,000
EXISTING DELUXE	2,025			176,175			176,175
SUPERIOR	1,400				100,800		100,800
STANDARD	1,225					85,750	85,750
OTHER	NA						0
SOFT GOODS							
NEW DELUXE	2,400	96,000					96,000
SUITES	1,425		28,500				28,500
EXISTING DELUXE	1,050			91,350			91,350
SUPERIOR	425				30,600		30,600
STANDARD	675					47,250	47,250
OTHER	NA						0
TOTAL		796,000	164,500	754,725	369,000	364,000	2,448,225
FREIGHT @6% OF FF&E AND							
SOFT GOODS		16,560	3,150	16,052	7,884	7,980	51,626
SALES TAX @6% OF FF&E AND							
SOFT GOODS		16,560	11,580	61,335	30,024	29,820	149,319
PURCHASING @5% OF FF&E							
AND SOFT GOODS		13,800	2,625	13,376	6,570	6,650	43,021
INSTALLATION	200	8,000	4,000	17,400	14,400	14,000	57,800
ARCHITECTURAL FEES							0
INTERIOR DESIGNER							0
TECHNICAL SERVICE FEE							0
(DUNFEY)							0
CONTINGENCY							0
TOTAL		850,920	185,855	862,888	427,878	422,450	2,749,991

17-May-84

BILTMORE PLAZA RENOVATION

PROGRAM #5

DESCRIPTION	TOTAL ROOMS	CORRIDORS	LOBBY	L' APOGEE	FEES, ETC.	TOTAL
NUMBER OF ROOMS	289					289
CONSTRUCTION						
ROOMS CONSOLIDATION	256,000					256,000
CORRIDERS		180,000				180,000
BATH UPGRADE						
MARBLE	735,000					735,000
CORIAN	426,000					426,000
CLOSETS - SUITES & DELUXE	88,200					88,200
- SUPER. & STDS.	42,600					42,600
PAINT AND VINYLs LABOR-						
SUITES & DELUXE	40,000					40,000
SUPER. & STD	0					0
OTHER	0	60,000	275,000	75,000		410,000
FURNISHINGS & EQUIPMENT						
NEW DELUXE	180,000					180,000
SUITES	24,000					24,000
EXISTING DELUXE	176,175					176,175
SUPERIOR	100,800					100,800
STANDARD	85,750					85,750
OTHER	0	24,000	100,000	75,000		199,000
SOFT GOODS						
NEW DELUXE	96,000					96,000
SUITES	28,500					28,500
EXISTING DELUXE	91,350					91,350
SUPERIOR	30,600					30,600
STANDARD	47,250					47,250
OTHER	0	96,000	25,000	50,000		171,000
TOTAL	2,448,225	360,000	400,000	200,000	0	3,408,225
FREIGHT @6% OF FF&E AND						
SOFT GOODS	51,626	7,200	7,500	7,500	0	73,826
SALES TAX @6% OF FF&E AND						
SOFT GOODS	149,319	7,200	7,500	7,500	0	171,519
PURCHASING @5% OF FF&E						
AND SOFT GOODS	43,021	6,000	6,250	6,250	0	61,521
INSTALLATION	57,800					57,800
ARCHITECTURAL FEES	0				100,000	100,000
INTERIOR DESIGNER	0				125,000	125,000
TECHNICAL SERVICE FEE	0					
(DUNFEY)	0				110,000	110,000
CONTINGENCY	0				300,000	300,000
TOTAL	2,749,991	380,400	421,250	221,250	635,000	4,407,891

BILTMORE PLAZA

16-Apr-84

DESCRIPTION	1981	1982	1983	1984	1985	1986	1987	1988
ROOMS AVAILABLE	120085	120,085	119,940	120,048	112,785	105,485	105,485	105,485
ROOMS SOLD	66824	65,368	66,755	69,940	73,110	75,910	79,910	80,210
OCCUPANCY%	55.6%	54.4%	55.7%	58.3%	64.8%	72.0%	75.8%	76.0%
ARR	\$48.49	\$52.55	\$58.87	\$60.68	\$66.01	\$71.47	\$78.10	\$85.64
ROOMS PROFIT%	69.4%	67.0%	66.5%	67.9%	69.0%	71.0%	73.0%	74.0%
F&B PROFIT%	1.6%	8.0%	6.2%	7.8%	9.0%	11.0%	13.0%	13.0%
REVENUES								
ROOMS	\$3,240	\$3,435	\$3,930	\$4,244	\$4,826	\$5,425	\$6,241	\$6,869
FOOD	2100	2,121	2,272	2,458	2,600	2,951	3,152	3,401
BEVERAGE	1162	1,177	1,201	1,319	1,450	1,603	1,692	1,788
F&B MISC.	87	111	117	119	130	137	143	149
TELEPHONE	164	163	168	199	220	240	255	260
OTHER REVENUE	28	82	61	53	54	60	66	72
COMMERCIAL RENT	156	149	155	163	185	197	208	220
TOTAL REVENUE	6,937	7,238	7,904	8,555	9,465	10,623	11,757	12,759
DEPARTMENTAL PROFIT								
ROOMS	2250	2,303	2,614	2,881	3,330	3,852	4,556	5,083
FOOD & BEVERAGE	52	263	216	295	365	502	630	675
TELEPHONE	(99)	(85)	(87)	(21)	(20)	(24)	(28)	(32)
COMMERCIAL RENT	25	66	50	37	185	197	208	220
OTHER	156	149	155	163	43	48	53	58
GROSS OPERATING INCOME	2,384	2,696	2,948	3,355	3,903	4,575	5,419	6,004
DEDUCTIONS FROM INCOME								
R&G	987	1,166	1,140	1,191	1,338	1,495	1,622	1,758
MARKETING	480	551	585	627	575	529	568	615
ENERGY	632	709	664	770	704	746	791	838
PROPERTY OPERATIONS	463	481	547	566	508	536	562	597
TOTAL DEDUCTIONS	2,562	2,907	2,936	3,154	3,125	3,306	3,543	3,808
GROSS OPERATING PROFIT	(178)	(211)	12	201	778	1,269	1,876	2,196
PROPERTY TAX & INSURANCE	147	108	190	197	208	221	235	248
OPERATING PROFIT	(\$325)	(\$319)	(\$178)	\$4	\$570	\$1,048	\$1,641	\$1,948

	BILTMORE PLAZA		MARKET SEGMENTATION				3/30/84
	1982	1983	1984	1985	1986	1987	1988
ROOMS SOLD							
PURE TRANSIENT	11,466	10,480	11,450	12,700	13,300	13,700	13,700
OUTSIDE RES. SYSTEM	1,530	2,056	2,150	2,300	2,600	2,600	2,800
ESP	15,263	18,840	18,700	20,200	21,200	22,500	22,900
SPECIAL TRANSIENT	2,212	2,595	2,100	2,400	2,500	2,800	2,800
GOVERNMENT TRANSIENT	1,249	1,146	1,500	1,200	1,300	1,500	1,500
OTHER PACKAGES	2,462	2,989	3,240	3,400	3,600	3,800	3,600
ASSOCIATION	14,126	9,292	10,000	9,000	8,500	9,200	9,200
REGULAR CORP. GROUP	3,486	4,374	4,500	5,200	5,600	6,200	6,200
BUS TOURS	1,352	2,345	2,000	2,100	2,100	2,100	2,100
TRAINING & DESTINY	2,027		3,300				
OTHER GROUPS	7,744	8,768	8,500	7,500	7,900	7,900	8,000
AIRLINES	521			5,110	5,110	5,110	5,110
GOVERNMENT GROUPS	1,930	2,544	2,500	2,000	2,200	2,300	2,300
PERMANENTS		1,324					
TOTAL ROOMS SOLD	65,368	66,753	69,940	73,110	75,910	79,910	80,210
COMPLIMENTARY	2,105	2,694					
HOUSE USE	2,176	1,728	3,642				
OUT OF ORDER	5,392	6,722					
VACANT	45,044	42,012	46,606	39,675	29,575	25,575	25,564
TOTAL ROOMS AVAILABLE	120,085	119,909	120,188	112,785	105,485	105,485	105,774
AVERAGE ROOM RATE							
PURE TRANSIENT	68.49	80.66	85.03	91.00	97.00	105.00	115.00
OUTSIDE RES. SYSTEM	66.56	77.57	78.83	85.00	91.00	99.00	109.00
ESP	58.42	64.30	68.98	78.00	84.00	93.00	102.00
SPECIAL TRANSIENT	39.29	59.44	58.00	65.00	70.00	76.00	85.00
GOVERNMENT TRANSIENT	41.50	41.53	42.00	44.00	47.00	51.00	55.00
OTHER PACKAGES	29.98	34.44	37.60	39.00	43.00	46.00	50.00
ASSOCIATION	53.55	58.11	57.83	62.00	67.00	71.00	77.00
REGULAR CORP. GROUP	56.49	63.23	63.02	69.00	76.00	83.00	91.00
BUS TOURS	38.71	40.62	40.00	43.00	46.00	50.00	55.00
TRAINING & DESTINY	26.82		33.00				
OTHER GROUPS	37.91	41.63	44.02	46.00	51.00	55.00	60.00
AIRLINES	24.17			27.00	30.00	33.00	36.00
GOVERNMENT GROUPS	42.64	36.00	40.00	46.00	49.00	53.00	57.00
PERMANENTS		45.00					
NET AVERAGE RATE	52.55	58.87	60.68	66.01	71.47	78.10	85.64
ROOMS REVENUE (\$000 OMITTED)							
PURE TRANSIENT	785	845	974	1156	1290	1439	1576
OUTSIDE RES. SYSTEM	102	159	169	196	237	277	305
ESP	892	1211	1290	1576	1781	2093	2336
SPECIAL TRANSIENT	87	152	122	156	175	213	238
GOVERNMENT TRANSIENT	52	48	63	53	61	77	83
OTHER PACKAGES	74	103	122	133	155	175	180
ASSOCIATION	756	540	578	558	570	653	708
REGULAR CORP. GROUP	197	277	284	359	426	515	564
BUS TOURS	52	95	80	90	97	105	116
TRAINING & DESTINY	54	0	109	0	0	0	0
OTHER GROUPS	294	365	374	345	403	435	480
AIRLINES	13	0	0	138	153	169	184
GOVERNMENT GROUPS	82	92	100	92	108	122	131

754

PERMANENTS		60					
TOTAL REVENUE	3440	3946	4265	4850	5454	6270	6900
LESS ALLOWANCES	5	16	21	24	29	29	31
NET REVENUE	3435	3930	4244	4826	5425	6241	6869
OCCUPANCY %	54.4%	55.7%	58.2%	64.8%	72.0%	75.8%	75.8%