

RESOLUTION OF THE CITY COUNCIL

No. 306

Approved October 13, 2010

WHEREAS, There was a designation by the City Council of the City of Providence (“City Council”) of the Promenade Center as a redevelopment area on March 23, 1984 pursuant to certain findings made by the City Council as a blighted and substandard area, as those terms are defined under the Redevelopment Act of 1956, requiring redevelopment; and

WHEREAS, On December 23, 2008, the City Council approved Ordinance No. 485 which adopted the City of Providence Promenade Center Redevelopment Project Plan in accordance with the prior designation of Areas 1,2, 3 and 4 within the City as “redevelopment areas” pursuant to Chapters 31-33 of Title 45 of Rhode Island General Laws; and

WHEREAS, In January 2010, an amendment to Ordinance No. 485 was submitted to the City Council by the Providence Redevelopment Agency (the “Agency”) and is currently pending entitled “City of Providence Promenade Center Redevelopment Plan” for property located in the City of Providence known as the “Promenade Center Project Area” consisting of approximately 176 acres of industrial and commercial property located along the Woonasquatucket River between Route I-95 and Atwells Avenue; and

WHEREAS, To accomplish the redevelopment plan for the Promenade Center, it is the intention of the Agency to acquire certain property within the redevelopment area (the “Property”) currently used, inter alia, for a manufacturing facility and to enter into a long term lease with a manufacturer (the “Lease”) for a portion of the Property and to finance the acquisition and redevelopment of such Property (including demolition of one building) by the issuance of one or more revenue bonds, or notes in anticipation thereof; and

WHEREAS, The Agency anticipates the issuance of up to \$5,200,000 in taxable revenue bonds, or notes in anticipation thereof, for a term not to exceed 10 years, and an interest rate not to exceed 6.50%, and anticipates that the debt service in connection therewith will be paid by Lease payments made by the aforesaid tenant, and such Lease payments shall be secured by the establishment of a debt service reserve fund to be funded from bond proceeds, and if available, bond insurance; and

WHEREAS, The issuance of said financing requires the support and moral obligation of the City of Providence to appropriate funds to pay the principal and interest on said financings in the event said Lease payments, debt service reserve fund and other collateral to support said financing is insufficient.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The City Council ratifies and confirms the findings heretofore made in connection with the redevelopment area as blighted and substandard and in need of redevelopment, and hereby acknowledges the Agency’s actions to acquire and redevelop the Property, which the City Council determines will benefit redevelopment of the redevelopment area, to enter into a long term lease with a term at least equal to the term of the proposed financing, and to finance the same, (including demolition of a building), through the issuance of taxable revenue bonds or notes in anticipation thereof, of the Agency in an amount not to exceed \$5,200,000, at an interest rate not to exceed 6.5%, with the debt service on such bonds or notes to be paid through Lease payments of the aforesaid tenant.

2. In support of said bonds, the City Council acknowledges and to the extent required, consents to the establishment of a debt service reserve fund to be funded from such bond or note proceeds backed by the moral obligation of the City to appropriate funds to reinstate such debt service reserve fund in an amount necessary to make timely payments of principal and/or interest on such bonds or notes; it being recognized, however, that such undertaking is a non-binding obligation of the City and that the City Council is not authorized to make any binding commitment to appropriate funds in any future fiscal years.

3. The City Council approves the request of the Agency to hold the property to be redeveloped for a period of years equal to the term of the financing (and any refinancing thereof) plus five (5) years.

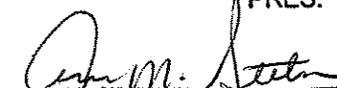
4. The City Council approves a Lease to be entered into under such terms as are acceptable to the Agency; provided that the term of such Lease shall be equal to the term of the financing.

5. This resolution shall take effect upon passage.

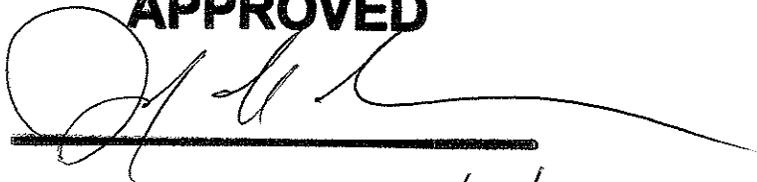
IN CITY COUNCIL
OCT 7 2010

READ AND PASSED


PRES.


CLERK

APPROVED



MAYOR

10/13/10