

City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

CHAPTER 2012-42

No. 500

AN ORDINANCE AUTHORIZING THE CITY OF PROVIDENCE TO FINANCE THE DESIGN, CONSTRUCTION, REPAIR, REHABILITATION AND IMPROVEMENT OF STREETS AND SIDEWALKS IN THE CITY, INCLUDING BUT NOT LIMITED TO, DRAINAGE, TRAFFIC CONTROL DEVICES, SAFETY IMPROVEMENTS AND LANDSCAPING BY THE ISSUANCE OF NOT MORE THAN \$40,000,000 BONDS AND NOTES THEREFORE

Approved July 31, 2012

Be it ordained by the City of Providence:

WHEREAS, In the interest of public health and safety, the City of Providence (the "City") desires to undertake the design, construction, repair, rehabilitation and improvement of streets and sidewalks in the City, including but not limited to, drainage, traffic control devices, safety improvements and landscaping (the "Project") and to finance the Project through the issuance of bonds;

WHEREAS, The estimated maximum cost of the Project is \$40,000,000;

WHEREAS, The period of usefulness of the Project is expected to be approximately twenty (20) years;

WHEREAS, The net general obligation debt of the City (secured by the full faith and credit and taxing power of the City) after the issuance of the Bonds is expected to be \$113,815,000 and the Bonds will be within all debt and other limitations prescribed by the Constitution and laws of the State of Rhode Island.

Now Therefore, Be it ordained by the City of Providence:

SECTION 1. In addition to sums heretofore appropriated, the sum of \$40,000,000 is appropriated to finance the Project.

SECTION 2. Pursuant to Rhode Island General Laws § 45-12-2 and Section 807(e) of the Providence Home Rule Charter, the City Treasurer and the Mayor are authorized to issue general obligation bonds of the City in an amount not to exceed \$40,000,000 (the "Bonds") in order to meet the foregoing appropriation.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$40,000,000 interest bearing or discounted Notes in anticipation of the issue of said Bonds pursuant to Section 807(h) of the Providence Home Rule Charter.

SECTION 4. The manner of sale, forms, amount, denominations, maturities, conversion or registration privileges, interest rates, and other conditions and details of the Bonds and Notes authorized herein shall be fixed by the said officers.

SECTION 5. The City Council hereby authorizes the City Treasurer and the Mayor, acting on behalf of the City, to issue the Bonds and Notes for the purposes set forth herein and to take all actions as they deem necessary to effect the issuance of the Notes and Bonds. The Bonds and Notes shall be issued by the City under its corporate name and seal or a facsimile of such seal. The Bonds and Notes shall be signed by the manual or facsimile signature of the City Treasurer and the Mayor.

SECTION 6. The City Treasurer and the Mayor are hereby authorized to issue the Bonds and Notes and deliver them to the purchaser and said officers are hereby authorized and instructed to take all actions, on behalf of the City, necessary to ensure that interest on the Bonds and Notes will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds and Notes to become subject to federal income taxes.

SECTION 7. The Bonds and Notes may be issued either alone or consolidated with other issues of notes or bonds of the City.

SECTION 8. The City's Finance Director is authorized to execute and deliver continuing disclosure certificates in connection with the Bonds and Notes issued by the City, in such form as shall be deemed advisable by the City's Finance Director. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of each continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this ordinance or the Bonds or Notes, failure of the City to comply with any continuing disclosure certificate shall not be considered an event of default; however, any bondholder or noteholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this ordinance and under any continuing disclosure certificate.

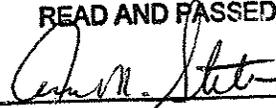
SECTION 9. The City Treasurer and the Mayor are also authorized, empowered and directed, on behalf of the City, to: (i) execute, acknowledge and deliver any and all other documents, certificates or instruments necessary to effectuate such borrowing, including, without limitation, a Preliminary Official Statement, a final Official Statement, all in such form and with such provisions as such officer shall deem advisable; (ii) amend, modify or supplement the bonds or notes and any and all other documents, certificates or instruments at any time and from time to time, in such manner and for such purposes as such officers shall deem necessary, desirable or advisable; (iii) do and perform all such other acts and things deemed by such officers to be necessary, desirable or advisable with respect to any matters contemplated by this ordinance in order to effectuate said borrowing and the intent hereof.

SECTION 10. This ordinance is an affirmative action of the City Council of the City of Providence toward the issuance of Bonds and/or Notes in accordance with the purposes of the laws of the State. This ordinance constitutes the City's declaration of official intent pursuant to Treasury Regulation Section 1.150-2 to reimburse the City's General Fund for certain capital expenditures for the Project paid on or after the date which is sixty (60) days prior to the date of this ordinance, but prior to the issuance of the Bonds and/or Notes. Such amounts to be reimbursed shall not exceed \$40,000,000, and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid, or (b) the date the Project is placed in service or abandoned but in no event later than three (3) years after the date the expenditure is paid.

SECTION 11. No Bonds or Notes shall be issued pursuant to the authority of this ordinance until a majority of the electors of the City has approved the loan. The question of the approval of the loan shall be placed before the qualified electors of the City of Providence at the state general election to be held on November 6, 2012, shall be submitted in substantially the following form:

"Shall an Ordinance of the City Council effective on July __, 2012 authorizing the issuance of up to \$40,000,000 general obligation bonds of the City to finance the design, construction, repair, rehabilitation and improvement of streets and sidewalks in the City, including but not limited to, drainage, traffic control devices, safety improvements and landscaping, pursuant to Rhode Island General Laws § 45-12-2 and § 807 of the City's Home Rule Charter, be approved?"

SECTION 12. This ordinance shall take effect upon its approval by the Mayor after its passage.

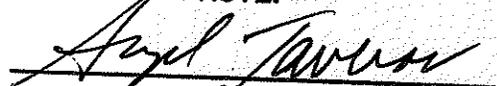
IN CITY COUNCIL
JUL 26 2012
FIRST READING
READ AND PASSED

CLERK

IN CITY
COUNCIL
JUL 30 2012
FINAL READING
READ AND PASSED

PRESIDENT

CLERK

I HEREBY APPROVE.


Mayor

Date: 7/31/12

MICHAEL PEARIS
FINANCE DIRECTOR



ANGEL TAVERAS
MAYOR

CITY OF PROVIDENCE
Angel Taveras, Mayor

FISCAL IMPACT NOTE

June 28, 2012

City Council Finance Committee
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Re: Proposed \$40,000,000 General Obligation for Streets and Sidewalks

Set forth below is a fiscal impact note related to the proposed \$40,000,000 General Obligation Bonds (the "Bonds") of the City of Providence (the "City").

Upon authorization by the Providence City Council and approval by the electors of the City, it is anticipated that the Bonds will be issued in the Fiscal Year ending June 30, 2013.

The Bonds will be issued to finance the design, construction, repair, rehabilitation and improvement of streets and sidewalks in the City, including but not limited to, drainage, traffic control devices, and landscaping and are expected to mature in twenty (20) annual installments with estimated interest based on an assumed rate of 5%, payable semi-annually as submitted herewith as Schedule A.

Assuming the Bonds were all issued in the Fiscal Year ending June 30, 2013, rather than in tranches over two fiscal years, the estimated annual debt service would be approximately as detailed in Schedule A.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Michael Pearis".

Michael Pearis, Finance Director

OFFICE OF CITY FINANCE

Providence City Hall | 25 Dorrance Street, Room 203, Providence, Rhode Island 02903

www.providenceri.com

Schedule A

Prepared by FirstSouthwest

Outstanding Aggregate Debt Service
General Obligation Debt
As of June 30, 2012

Preliminary General Obligation Road Bonds
Series 2013
Preliminary / Subject to Change

Outstanding Aggregate Debt Service After Series 2013 Issuance
General Obligation Debt
Preliminary / Subject to Change

Period Ending	Outstanding Aggregate Debt Service General Obligation Debt As of June 30, 2012				Preliminary General Obligation Road Bonds Series 2013 Preliminary / Subject to Change				Outstanding Aggregate Debt Service After Series 2013 Issuance General Obligation Debt Preliminary / Subject to Change				Debt as a Percentage of Full Value ⁽²⁾
	Principal	Interest	Debt Service	Net Debt Per Capita ⁽¹⁾	Principal	Interest	Debt Service	Aggregate Principal	Aggregate Interest	Aggregate Debt Service	Net Debt Per Capita ⁽¹⁾	Debt as a Percentage of Full Value ⁽²⁾	
6/30/2013	\$ 5,975,000	\$ 3,563,506	\$ 9,538,506	415	\$ -	\$ -	\$ -	\$ 5,975,000	\$ 3,563,506	\$ 9,538,506	639	1.057%	
6/30/2014	6,110,000	3,269,283	9,379,283	381	1,145,000	2,072,222	3,217,222	7,255,000	5,341,505	12,596,505	606	1.002%	
6/30/2015	6,400,000	2,982,297	9,382,297	347	1,270,000	1,942,750	3,212,750	7,670,000	4,925,047	12,595,047	565	0.934%	
6/30/2016	6,695,000	2,690,591	9,385,591	311	1,335,000	1,879,250	3,214,250	8,030,000	4,569,841	12,599,841	522	0.863%	
6/30/2017	6,295,000	2,399,628	8,694,628	273	1,405,000	1,812,500	3,217,500	7,700,000	4,212,128	11,912,128	477	0.788%	
6/30/2018	6,605,000	2,082,926	8,687,926	238	1,475,000	1,742,250	3,217,250	8,080,000	3,825,176	11,905,176	434	0.717%	
6/30/2019	6,925,000	1,761,971	8,686,971	201	1,545,000	1,668,500	3,213,500	8,470,000	3,430,471	11,900,471	388	0.642%	
6/30/2020	7,290,000	1,407,552	8,697,552	162	1,625,000	1,591,250	3,216,250	8,915,000	2,998,802	11,913,802	341	0.563%	
6/30/2021	3,150,000	1,151,652	4,301,652	121	1,705,000	1,310,000	3,215,000	4,855,000	2,661,652	7,516,652	290	0.480%	
6/30/2022	3,305,000	993,102	4,298,102	103	1,790,000	1,424,750	3,214,750	5,095,000	2,417,852	7,512,852	263	0.455%	
6/30/2023	3,470,000	822,526	4,292,526	85	1,880,000	1,333,250	3,215,250	5,350,000	2,157,776	7,507,776	235	0.388%	
6/30/2024	3,665,000	633,386	4,298,386	65	1,975,000	1,241,250	3,216,250	5,640,000	1,874,636	7,514,636	205	0.338%	
6/30/2025	3,860,000	433,592	4,293,592	45	2,075,000	1,142,500	3,217,500	5,935,000	1,575,892	7,510,892	173	0.286%	
6/30/2026	4,070,000	222,544	4,292,544	23	2,175,000	1,038,750	3,213,750	6,245,000	1,261,294	7,506,294	140	0.231%	
6/30/2027	-	-	-	-	2,285,000	930,000	3,215,000	2,285,000	930,000	3,215,000	104	0.173%	
6/30/2028	-	-	-	-	2,400,000	815,750	3,215,750	2,400,000	815,750	3,215,750	92	0.152%	
6/30/2029	-	-	-	-	2,520,000	695,750	3,215,750	2,520,000	695,750	3,215,750	78	0.129%	
6/30/2030	-	-	-	-	2,645,000	569,750	3,214,750	2,645,000	569,750	3,214,750	64	0.106%	
6/30/2031	-	-	-	-	2,775,000	437,500	3,212,500	2,775,000	437,500	3,212,500	49	0.081%	
6/30/2032	-	-	-	-	2,915,000	298,750	3,213,750	2,915,000	298,750	3,213,750	34	0.053%	
6/30/2033	-	-	-	-	3,060,000	153,000	3,213,000	3,060,000	153,000	3,213,000	17	0.028%	
	\$ 73,815,000	\$ 24,414,357	\$ 98,229,357		\$ 40,000,000	\$ 24,301,722	\$ 64,301,722	\$ 113,815,000	\$ 48,716,080	\$ 162,531,080			

⁽¹⁾ FYE 2011 Revaluated Population were used to calculate Net Debt Per Capita.

⁽²⁾ FYE 2011 Estimated Full Valuation were used to calculate Debt as a percent of Full Value.