

# City of Providence

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

## CHAPTER 2000-19

No. 445 **AN ORDINANCE** TO AUTHORIZE THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE CITY OF PROVIDENCE IN AN AMOUNT NOT TO EXCEED \$6,825,000 TO FINANCE THE PAYMENT OF THE CITY'S PORTION OF THE JUDGMENT IN THE CASE OF CAPITAL PROPERTIES, INC. v. STATE OF RHODE ISLAND AND FOR NO OTHER PURPOSE AND TO APPROPRIATE \$6,825,000 TO PAY SUCH JUDGMENT, AS AMENDED

Approved July 7, 2000

### *Be it ordained by the City of Providence:*

SECTION 1. The sum of \$6,825,000 is appropriated to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc. v. State of Rhode Island and all costs incidental and related thereto and for no other purpose.

SECTION 2. Pursuant to Rhode Island General Laws § 45-12-4.4, as amended by "An Act Making Revised Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2000" (the "Supplemental Appropriations Act"), the City Treasurer with approval of the Mayor, is authorized to issue and refund general obligation bonds of the City in an amount not to exceed \$6,825,000 (the "Bonds") in order to meet the foregoing appropriation. The said officers shall issue the Bonds in an amount not in excess of the amount required to finance the judgment including interest and costs of issuing the Bonds.

SECTION 3. The said officers from time to time may issue and refund not exceeding \$6,825,000 interest bearing or discounted notes in anticipation of the issue of said Bonds.

SECTION 4. The estimated maximum cost of the judgment described in Section 1 hereof is \$6,825,000, which entire amount is being appropriated hereby.

SECTION 5. It is hereby determined that the net debt of the City of Providence after the issuance of the Bonds authorized hereby will be \$111,060,000.

SECTION 6. It is hereby declared that the Bonds authorized hereby will be within all debt and other limitations prescribed by the Constitution and laws of the State of Rhode Island.

SECTION 7. The manner of sale, forms, amount, denominations, conversion, registration privileges, interest rates, and other conditions and details of the Bonds and notes authorized herein shall be fixed by the said officers. Pursuant to the provisions of § 45-12-4.4, as amended by the Supplemental Appropriations Act, the payment of principal of the Bonds shall be by sufficient annual payments that will extinguish the debt at maturity, the first of these annual payments to be made not later than one year, and the last payment not later than fifteen (15) years after the date of the Bonds.

SECTION 8. The City Council hereby authorizes the City Treasurer, with approval of the Mayor, to issue the Bonds for the purposes set forth herein and to take all actions as he deems necessary to effect the issuance of the Bonds. The Bonds shall be issued by the City under its corporate name and seal or a facsimile of such seal. The Bonds shall be signed by the manual or facsimile signature of the City Treasurer and the Mayor.

IN CITY COUNCIL  
JULY 7, 2000  
CITY CLERK  
CITY OF PROVIDENCE

No.

**CHAPTER**  
**AN ORDINANCE**

IN CITY COUNCIL  
May 3, 2000  
FIRST READING  
REFERRED TO COMMITTEE ON  
FINANCE

CLERK

THE COMMITTEE ON  
FINANCE  
Approves Passage of  
The Within Ordinance

*as amended*

*Anna M. Stearn*

5-18-00 Clerk

IN CITY COUNCIL

6-1-00 Read & Passed  
And Referred Back <sup>by first</sup>  
To The Committee on <sub>Time</sub>

*Finance*

CLERK

THE COMMITTEE ON  
FINANCE  
Approves Passage of  
The Within Ordinance

*Anna M. Stearn*

Clerk

5-23-00

*Councilman Allen, By Request*

SECTION 9. The City Treasurer and the Mayor are hereby authorized to issue the Bonds 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 will be excludable from gross income for federal income tax purposes and to refrain from all actions which would cause interest on the Bonds to become subject to federal income taxes.

SECTION 10. The City's Finance Director is authorized to execute and deliver continuing disclosure certificates in connection with the Bonds or 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 11. Any balance of bond proceeds remaining after payment of the costs authorized in Section 1 hereof shall be applied to the principal of or interest on the Bonds authorized hereunder.

SECTION 12. This Ordinance shall take effect upon the later of (a) its date of passage, or (b) the date of enactment of the Supplemental Appropriations Act.

**APPROVED**  
JUL 07 2000  
*Maura Lancia*  
MAYOR

**IN CITY COUNCIL**  
JUL 6 2000  
FINAL READING  
READ AND PASSED  
*[Signature]*  
PRESIDENT  
*Michael A. Cleary, BS*  
CLERK

STATE OF RHODE ISLAND  
PROVIDENCE, SC.

SUPERIOR COURT

CAPITAL PROPERTIES, INC.

VS

THE STATE OF RHODE ISLAND

M.P. NO. 88-1654

WRIT OF MANDAMUS

This matter came before Mr. Justice Cresto on July 1, 1998 on Plaintiff's Motion for a Writ of Mandamus Compelling Payment of the Final Judgment. For the reasons set forth in the written decision dated July 22, 1998, plaintiff's motion is granted, and this writ of mandamus is issued. It is hereby:

ORDERED

1. That the State Controller shall immediately issue a requisition to the State Treasurer for payment of the full judgment entered on May 6, 1997 and affirmed by the Supreme Court on April 17, 1998 (including pre-judgment interest pursuant to R.I. Gen. Laws §37-6-29) in the amount of \$11,179,767.60, plus post-judgment interest of \$3,675.54 per day after April 17, 1998 until the judgment is paid;
2. That the State Treasurer shall immediately pay the requisition to plaintiff;
3. That the State shall complete this payment to plaintiff on or before August 14, 1998; and
4. That plaintiff's request for sanctions is denied.

True Copy Attest

*H. S. Kitch, Jr.*

Offices of Clerk of Superior Court  
Counties of Providence & Bristol

,Cic

Capital Properties, Inc.  
vs.  
The State of Rhode Island  
M.P. No. 88-1654  
Page Two

ENTER:

*[Handwritten signature]*  
7/27/98

PER ORDER:

*[Handwritten signature]*  
Deputy Clerk 7/27/98

Presented by:

*[Handwritten signature]*  
Gerald J. Petros #2931  
Hinckley, Allen & Snyder  
Tel.: (401)274-2000  
Fax: (401)277-9600

CERTIFICATION

TO:

Eugene Coulter, Esq.  
Chief Legal Counsel  
Department of Transportation  
250 State Office Building  
Providence, RI- 02903

Joseph S. Larisa, Jr., Esq.  
Executive Counsel  
Governor's Office, State House  
Providence, RI 02903

James R. Lee, Esq.  
Assistant Attorney General  
150 South Main Street  
Providence, RI 02903

True Copy Attest

*[Handwritten signature]*  
Offices of Clerk of Superior Court  
Counties of Providence & Bristol  
Providence, Rhode Island

Clerk

**T-Bill Interest Rate On Judgment**  
**Computed Daily To Date Of Payment**  
**Compounded Annually**

**C.P.I.**

Date of Condemnation      11/13/1987  
 Final Judgement          04/17/1998  
Prin.                              \$6,100,000

| <u>Year</u> | <u>Rate</u> | <u>Principal</u> | <u>Interest</u> | <u>Balance</u>  |
|-------------|-------------|------------------|-----------------|-----------------|
| 1987        | 0.67%       | \$6,100,000.00   | \$5,108.75      | \$6,105,108.75  |
| 1988        | 7.65%       | \$6,105,108.75   | \$467,040.82    | \$6,572,149.57  |
| 1989        | 8.53%       | \$6,572,149.57   | \$560,604.36    | \$7,132,753.93  |
| 1990        | 7.89%       | \$7,132,753.93   | \$562,774.28    | \$7,695,528.21  |
| 1991        | 5.86%       | \$7,695,528.21   | \$450,957.95    | \$8,146,486.17  |
| 1992        | 3.89%       | \$8,146,486.17   | \$316,898.31    | \$8,463,384.48  |
| 1993        | 3.43%       | \$8,463,384.48   | \$290,294.09    | \$8,753,678.57  |
| 1994        | 5.32%       | \$8,753,678.57   | \$465,695.70    | \$9,219,374.26  |
| 1995        | 5.94%       | \$9,219,374.26   | \$547,630.83    | \$9,767,005.10  |
| 1996        | 5.52%       | \$9,767,005.10   | \$539,138.68    | \$10,306,143.78 |
| 1997        | 5.63%       | \$10,306,143.78  | \$580,235.89    | \$10,886,379.67 |
| 1998        | 1.42%       | \$10,886,379.67  | \$154,780.46    | \$11,041,160.13 |

\$4,941,160.13

| <u>Post Jud.</u> | <u>T-Bill Rate 4/17/98 to 12/22/99</u> | <u>[Eff. Annual Rate 0.0475]</u> |                 |                 |
|------------------|--|----------------------------------|-----------------|-----------------|
|                  | <u>Rate</u>                            | <u>Principal</u>                 | <u>Interest</u> | <u>Balance</u>  |
| 1998 258 days    | 3.42%                                  | \$11,041,160.13                  | \$378,060.36    | \$11,419,220.49 |
| 1999 357 days    | 4.68%                                  | \$11,419,220.49                  | \$534,819.19    | \$11,954,039.69 |

**Amount Due=                      \$5,977,019.84**



State of Rhode Island and Providence Plantations  
State House  
Providence, Rhode Island 02903-1196  
401-222-2080

LINCOLN ALMOND  
GOVERNOR

December 22, 1999

VIA HAND DELIVERY

Gerald J. Petros, Esq.  
Hinckley, Allen & Snyder  
1500 Fleet Center  
Providence, RI 02903-2393

Re: *Capital Properties, Inc v. State of Rhode Island*

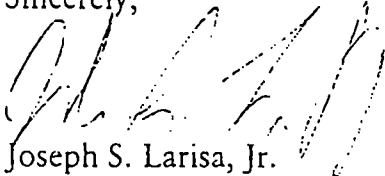
Dear Mr. Petros:

Pursuant to the Rhode Island Supreme Court Opinion and Order issued on December 2, 1999 as modified by the Supreme Court Order dated December 20, 1999, accompanying this letter is a check payable to "Capital Properties Inc." in the amount of \$5,977,019.84. This amount represents "the 50 percent share of the condemnation award . . . to be attributable to and ultimately payable by the city," including interest from the date of final judgment to the date of payment calculated at the Treasury bill rate in accordance with Public Law Chapter 258, 94-S 2309 (Approved July 11, 1994).

I attempted to contact you yesterday to confirm the payee on the check and that you would accept the check as attorney for Capital Properties Inc. Since you were unavailable, I left a voice mail message indicating that unless I heard otherwise from you, the payee would be Capital Properties Inc. and I would have the check hand-delivered to your office by mid-day. Since I did not hear back from you, I have assumed that these arrangements are acceptable.

Gerald J. Petros, Esq.  
December 22, 1999  
Page 2

Sincerely,



Joseph S. Larisa, Jr.  
Executive Counsel

Enclosure

cc: Gene Coulter, Esq.  
James Lee, Esq.  
Richard Riendeau, Esq. (Via hand delivery)  
Lawrence Franklin  
George Carvalho, Esq.



STATE OF RHODE ISLAND  
AND PROVIDENCE PLANTATIONS

GENERAL FUND

BANKBOSTON, N.A.  
PROVIDENCE, RI

5-39  
110

| APPROPRIATION<br>ACCOUNT | VOUCHER<br>NUMBER | MC | DATE |      | COST CENTER |
|--------------------------|-------------------|----|------|------|-------------|
|                          |                   |    | DAY  | YEAR |             |
| 2420                     | 5402              | 12 | 21   | 1999 |             |

No. GR-457480

NOT VALID AFTER 90 DAYS

BATCH 89148

\*\*5,977,019\*DOLLARS AND 84 CENTS \$5977019.84

PAY  
TO THE  
ORDER OF

CAPITAL PROPERTIES INC

*Paul J. Tavano*  
GENERAL TREASURER

*Lawrence C. Franklen*  
STATE CONTROLLER

⑈457480⑈ ⑆011000390⑆ 05? 79141⑈

MP



STATE OF RHODE ISLAND  
AND PROVIDENCE PLANTATIONS

GENERAL FUND

BANKBOSTON, N.A.  
PROVIDENCE, RI

5-39  
110

| APPROPRIATION<br>ACCOU | VOUCHER<br>NUMBER | MC | DATE |      | COST CENTER |
|------------------------|-------------------|----|------|------|-------------|
|                        |                   |    | DAY  | YEAR |             |
| 2420                   | 5402              | 12 | 21   | 1999 |             |

No. GR-457480

NOT VALID AFTER 90 DAYS

ATCH 89148

\*\*5,977,019\*DOLLARS AND 84 CENTS 5977019.84

PAY  
TO THE  
ORDER OF

CAPITAL PROPERTIES INC

*Ralph Tavaris*  
GENERAL TREASURER

*James J. Manly*  
STATE CONTROLLER

⑈457480⑈ ⑆011000390⑆ 057 79141⑈

MP



## Finance Department

*"Building Pride In Providence"*

May 31, 2000

City of Providence  
Attn.: Mr. James Lombardi CPA  
25 Dorrance Street  
Providence, RI 02903

Dear Jim,

I am in receipt of the Deputy City Solicitors letter explaining the history of the Capitol Properties vs. State of RI court decision. Based on our conversation this morning, you expressed to me that Councilman DeLuca wants to know how much of the payment made by the State of RI on the City's behalf was for the fair market value for the land, how much for interest, and whether there were any legal fees included in the payment. The Deputy City Solicitor has informed me that the payment of approximately \$5,977,000 did not include any amount for legal fees.

As you can see from the attached letter, the award for the fair market value of the land was for \$8,709,850 of which the State of RI had already deposited \$2,599,051, leaving a balance of \$6,110,799. This decision was awarded by the court in 1997 and the City of Providence was responsible for half the amount or \$3,055,399.50. Interest was then applied at varying T-Bill rates for the ten-year period beginning in 1987. This resulted in a total liability of \$10,653,328, of which \$5,326,664 is the City's share. The State of RI appealed this 1997 decision, and a final judgement was issued in 1999 that included nearly three more years of interest (once again calculated at varying T-Bill rates) which resulted in a payment made of \$5,977,019.84 on December 21, 1999 by the State on our behalf.

In summary it would appear that the City's share of the fair market value of the land was \$3,055,399.50 and interest from 1987 until December 1999 was \$2,921,620.34. Hopefully this letter, the copy of the State of RI check and the Deputy Solicitors letter will help clarify this matter.

Very truly yours,

Alexander Prignano  
Director of Finance

CC: Boyce Spinelli  
Patricia McLaughlin  
Councilman Kevin Jackson  
Councilman Joseph DeLuca  
Councilman Ronald Allen



STATE OF RHODE ISLAND  
AND PROVIDENCE PLANTATIONS

GENERAL FUND

BANKBOSTON, N.A.  
PROVIDENCE, RI

9-39  
110

| APPROPRIATION<br>ACCOUNT | VOUCHER<br>NUMBER | DATE |     |      | COST CENTER |
|--------------------------|-------------------|------|-----|------|-------------|
|                          |                   | MO   | DAY | YEAR |             |
| 2420                     | 5402              | 12   | 21  | 1999 |             |

No. GR-457480

NOT VALID AFTER 90 DAYS

ATCH 89148

\*5,977.019 DOLLARS AND 84 CENTS 35977019.84

PAY  
TO THE  
ORDER OF

CAPITAL PROPERTIES INC

*Paul J. Farnsworth*  
GENERAL TREASURER  
*William R. ...*  
STATE CONTROLLER

⑈457480⑈ ⑆011000390⑆ 057 79141⑈

COMMITTEE ON FINANCE  
JUNE 12, 2000

AGENDA

COMMITTEE ROOM "A"

5:30 O'CLOCK PM

---

1. An Ordinance Appropriating Eight Million (\$8,000,000.00) Dollars and to Authorize the Issuance of General Obligation Bonds of the City of Providence in an amount not to exceed Eight Million (\$8,000,000.00) Dollars to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc., v. State of Rhode Island. *(In City Council June 1, 2000, Passed the First Time and Referred Back to Committee-Councilman Allen, By Request)*

PER ORDER:

COMMITTEE ON FINANCE  
COUNCILMAN KEVIN JACKSON  
CHAIRMAN

COMMITTEE ON FINANCE  
JUNE 12, 2000

AGENDA

COMMITTEE ROOM "A"

5:30 O'CLOCK PM

---

1. An Ordinance Appropriating Eight Million (\$8,000,000.00) Dollars and to Authorize the Issuance of General Obligation Bonds of the City of Providence in an amount not to exceed Eight Million (\$8,000,000.00) Dollars to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc., v. State of Rhode Island. *(In City Council June 1, 2000, Passed the First Time and Referred Back to Committee-Councilman Allen, By Request)*

PER ORDER:

COMMITTEE ON FINANCE  
COUNCILMAN KEVIN JACKSON  
CHAIRMAN



Michael R. Clement  
City Clerk  
\_\_\_\_\_  
Clerk of Council  
\_\_\_\_\_

DEPARTMENT OF CITY CLERK  
CITY HALL

Barbara A. Poirier  
First Deputy  
\_\_\_\_\_

Claire E. Bestwick  
Second Deputy  
\_\_\_\_\_

COMMITTEE CALL

COMMITTEE ON FINANCE

will be held in

COMMITTEE ROOM "A"

MONDAY, JUNE 12, 2000

at

5:30 o'clock p.m.

Third Floor, City Hall,

RE:

**An Ordinance Appropriating Eight Million (\$8,000,000.00) Dollars and to Authorize the Issuance of General Obligation Bonds of the City of Providence in an amount not to exceed Eight Million (\$8,000,000.00) Dollars to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc., v. State of Rhode Island.**

JUN 7 4 07 PM '00  
CITY OF PROVIDENCE, RI

By order:  
Councilman Kevin Jackson, Chairman  
Committee on Finance

*Michael R. Clement*  
Michael R. Clement  
City Clerk

Facilities are accessible to people with disabilities. If you are in need of interpreter services for the hearing impaired, please contact the Mayor's Citizens Assistance Office at 751-0203 (TDD) within 48 hours of the meeting.

Posted June 7, 2000 @ 4:07 o'clock p.m.

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 7, 2000  
TO: Patricia McLaughlin, Deputy City Solicitor  
SUBJECT: Committee on Finance  
CONSIDERED BY: Michael R. Clement, City Clerk

DISPOSITION: I have been directed by Councilman Kevin Jackson, Chairman of the Committee on Finance, to invite you to the Finance Committee meeting to be held on Monday, June 12, 2000 at 5:30 o'clock p.m. in Committee Room "A", Department of City Clerk, City Hall, Third Floor. At that time the Committee will be discussing the following matter:

**An Ordinance Appropriating Eight Million (\$8,000,000.00) Dollars and to Authorize the Issuance of General Obligation Bonds of the City of Providence in an amount not to exceed Eight Million (\$8,000,000.00) Dollars to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc., v. State of Rhode Island.**

If you are unable to attend this meeting, please contact this office at extension 568.

A handwritten signature in cursive script that reads "Michael R. Clement".

City Clerk

City of Providence



Rhode Island

Department of City Clerk

MEMORANDUM

DATE: June 7, 2000  
TO: Alex Prignano, Finance Director  
SUBJECT: Committee on Finance  
CONSIDERED BY: Michael R. Clement, City Clerk

DISPOSITION: I have been directed by Councilman Kevin Jackson, Chairman of the Committee on Finance, to invite you to the Finance Committee meeting to be held on Monday, June 12, 2000 at 5:30 o'clock p.m. in Committee Room "A", Department of City Clerk, City Hall, Third Floor. At that time the Committee will be discussing the following matter:

**An Ordinance Appropriating Eight Million (\$8,000,000.00) Dollars and to Authorize the Issuance of General Obligation Bonds of the City of Providence in an amount not to exceed Eight Million (\$8,000,000.00) Dollars to finance the payment of the City's portion of the judgment in the case of Capital Properties, Inc., v. State of Rhode Island.**

If you are unable to attend this meeting, please contact this office at extension 568.

  
City Clerk