

RESOLUTION OF THE CITY COUNCIL

No. 660

Approved December 20, 2002

WHEREAS, The Providence Public Buildings Authority (the "Authority") was constituted as a body corporate and politic of the City of Providence (the "City") pursuant to the provisions of Chapter 50 of title 45 of the General Laws of Rhode Island (the "Act") and a resolution duly passed by this City Council on August 13, 1987; and

WHEREAS, The Authority's creation was approved by the Public Finance Management Board on February 12, 1988; and

WHEREAS, The Authority may now duly transact its business of acquiring and constructing public facilities, acquiring public equipment; maintaining, renovating, repairing and operating the same; and issuing its revenue bonds and/or notes to finance the public facilities and public equipment; and

WHEREAS, The Authority may develop its projects only upon the request of the Mayor and the City Council; and

WHEREAS, Such request must take the form of a proposal by the Mayor approved by the City Council; and

WHEREAS, The Mayor has submitted the proposal attached hereto as Exhibit "A" for the City Council's approval; and

WHEREAS, the Rhode Island Department of Education has allocated bonding authority to the City of Providence pursuant to the Qualified Zone Academy Bonds ("QZAB") program; and

WHEREAS, the Mayor has proposed that the Authority issue the QZABs on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED,

1. That the City Council hereby approves the Proposal of the Mayor dated October 23, 2002 attached hereto (the "Proposal") which, among other things, requests the Authority to use its best efforts to develop the following projects to include the automation of elementary, middle and high school libraries and updating and repairing middle school science laboratories as described in the City's application to the Rhode Island Department of Education dated October 2, 2000, including the demolition, improvement, alteration, repair, furnishing and equipping of such facilities and design and feasibility, engineering or other studies which may be necessary in connection therewith and any other acts necessary or incidental thereto (the "Projects"), and to issue QZABs within the meaning of Section 1397E of the Internal Revenue Code of 1986 in an amount not to exceed One Million Two Hundred Sixteen Thousand Dollars (\$1,216,000) to provide funding for the Projects.

2. That the City Council hereby authorizes the Mayor to negotiate and lease the Projects from the Authority and to transfer such additional property to the Authority as shall be necessary to secure the QZABs.

IN CITY COUNCIL
NOV 7 2002
FIRST READING
REFERRED TO COMMITTEE ON
FINANCE

Richard R. Ernest CLERK

AND

IN CITY COUNCIL
NOV 7 2002
FIRST READING
REFERRED TO COMMITTEE ON
URBAN REDEVELOPMENT
RENEWAL & PLANNING

Richard R. Ernest

THE COMMITTEE ON
FINANCE + *emp, jointley*
Approves Passage of
The Within Resolution
Ann M. Stebbins
11-21-02 Clerk

Councilmen Allen, Jackson & Councilwoman Williams

3. That the Mayor, the Director of Finance and the City Treasurer be, and they hereby are, authorized to take any and all action and to execute, file and deliver any and all agreements, notes, deeds, leases and other documents, and amendments thereto, as they, in their sole discretion, may deem necessary or desirable to implement the transaction contemplated by the Proposal.

4. That the City's Department of Public Property shall submit all estimates, bids, etc. regarding such construction, renovation, rehabilitation, improvement, furnishing, and equipping of the Projects to the Committee on Finance of the City Council as such estimates become available.

5. The City's Director of Finance is authorized to execute and deliver a continuing disclosure certificate in connection with the QZABs issued by the Authority, in such form as shall be deemed advisable by the City's Director of Finance. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of the continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the QZABs, failure of the City to comply with the continuing disclosure certificate shall not be considered an event of default; however, any bondholder 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 Resolution and under the continuing disclosure certificate.

6. This Resolution is an affirmative action of the City Council towards the issuance of the Authority's QZABs in accordance with the purposes of the laws of the State. This Resolution constitutes the City's declaration of official intent, pursuant to Treasury Regulation § 1.150-2, to reimburse its General Fund in an amount not to exceed One Million Two Hundred Sixteen Thousand Dollars (\$1,216,000) for certain capital expenditures for the Projects paid on or after the date which is sixty (60) days prior to the date of this Resolution but prior to the issuance of the Authority's QZABs, or otherwise as permitted by such regulation. Amounts to be reimbursed shall be reimbursed not later than eighteen months after (a) the date on which the expenditure is paid or (b) the date the Projects are placed in service or abandoned, but in no event more than three (3) years after the date the expenditure is paid.

7. This Resolution shall take effect on passage.

::ODMAMHODMA\manag32;353101;1

IN CITY COUNCIL
DEC 19 2002
READ AND PASSED

Barbara A. Young
PRES.

Richard H. Clement
CLERK

APPROVED

[Signature]
MAYOR

DEC 20 2002

TILLINGHAST LICHT PERKINS SMITH & COHEN, LLP

Karen S.D. Grande
Direct: (401) 456-1314
E-Mail: kgrande@tislaw.com

Attorneys At Law
TEN WEYBOSSET STREET
PROVIDENCE, RI 02903-2818
401.456.1200 FAX 401.456.1210
www.tislaw.com

October 28, 2002

HAND DELIVER

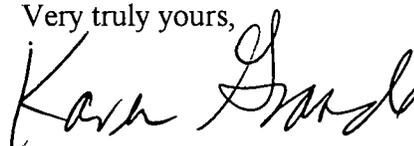
Mr. Michael Clement
City Clerk's Office
Providence City Hall
25 Dorrance Street
Providence, Rhode Island 02903

Re: Providence Public Buildings Authority/Qualified Zone Academy Bond

Dear Mr. Clement:

Enclosed are twenty-two (22) copies of a Resolution for the above-referenced matter with the Mayor's proposal letter attached. I understand that the Resolution is to be introduced by Councilman Kevin Jackson at the November 7th City Council Meeting. If you should have any questions, please do not hesitate to call.

Very truly yours,



Karen S.D. Grande

Enclosures

cc: The Honorable John Lombardi
Paul Jabour, Esquire
Mr. Alexander Prignano
Charles Mansolillo, Esquire
Raymond Dettore, Jr., Esquire
Ms. Olga Noguera
Ms. Melody Johnson
Mr. Mark Dunham
George Rinaldi, Esquire
Mr. Robert Troiano
Mal Salvadore, Esquire
Ms. Maureen Gurchigian
Ms. June Matte
Ms. Christine Doyle
Mr. Alan Sepe
Mr. Kevin Jackson

::ODMAMHODMA\imanag32;357562;1



Executive Office, City of Providence, Rhode Island

JOHN J. LOMBARDI

MAYOR

October 23, 2002

Mr. Lloyd Granoff, Chairman
Providence Public Buildings Authority
400 Westminister Street
Providence, Rhode Island 02903

Re: Qualified Zone Academy Bonds

Dear Mr. Granoff:

Section 45-50-10 authorizes any authority created pursuant to the Municipal Public Buildings Authorities Law to acquire and construct public facilities and to acquire public equipment; to maintain, renovate, repair and operate the same; and to issue revenue bonds to finance the same.

Pursuant to Section 45-50-10 of the General Laws of the State of Rhode Island, I hereby propose and request that the Providence City Council join me in requesting the Providence Public Buildings Authority (the "Authority") to use its best efforts to develop the following projects to include the automation of elementary, middle and high school libraries and updating and repairing middle school science laboratories as described in the City's application to the Rhode Island Department of Education dated October 2, 2002, including the demolition, improvement, alteration, repair, furnishing and equipping of such facilities and design and feasibility, engineering or other studies which may be necessary in connection therewith, and any other acts necessary or incidental thereto (the "Projects"), and to issue Qualified Zone Academy Bonds ("QZABs") within the meaning of Section 1397E of the Internal Revenue Code of 1986 in an amount not to exceed One Million Two Hundred Sixteen Thousand Dollars (\$1,216,000) to provide funding for the Projects. The Authority is further requested to obtain title to the real estate and improvements constituting the Projects or such additional property as shall be necessary to secure the QZABs and to cooperate with the City of Providence in the development, planning, construction, maintenance, and operation of the Projects and to lease the Projects to the City for the benefit of the citizens of Providence.

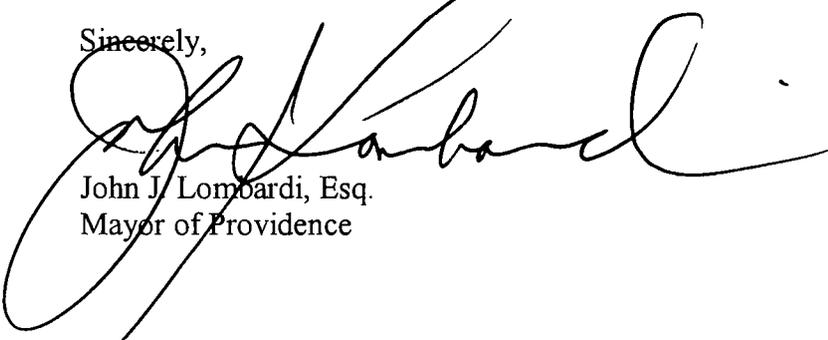
-more-

Lloyd Granoff, Chairman
October 23, 2002
Page 2

The Authority is requested to issue its QZABs in the amount not to exceed One Million Two Hundred Sixteen Thousand Dollars (\$1,216,000) to provide funding for the Projects, to capitalize interest, at its option, to pay the costs of issuance of the QZABs and such other expenses as may be necessary or incidental to the completion of the Projects.

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

Sincerely,



John J. Lombardi, Esq.
Mayor of Providence