

RESOLUTION OF THE CITY COUNCIL

No. 180

Approved March 6, 2015

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 that constitute projects under the Act, including public schools and school facilities; and

WHEREAS, The general laws relating to school housing aid from the State of Rhode Island have been amended to allow the inclusion of interest as a "school housing project cost" only if the bonds or other financing for such projects are issued through the Rhode Island Health and Educational Building Corporation ("RIHEBC"); and

WHEREAS, Existing financing arrangements with the Authority relating to school projects require that the Authority participate with RIHEBC in the financing of school projects for the City; and

WHEREAS, RIHEBC has issued its \$60,000,000 Providence Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2006 A (Providence Public Buildings Authority Issue) (the "Series 2006 Bonds") to finance (i) the schools and school facilities in the City, including but not limited to a new high school, (ii) an indoor sports complex, (iii) the renovation of the Fox Point Bathhouse to serve as a library for the Vartan Gregorian School, (iv) the phase III renovations to Central High School and (v) additional renovations to other schools and school facilities in the City (the "Series 2006 Projects"); and

WHEREAS, RIHEBC has issued its \$75,000,000 Providence Public Schools Revenue Bond Financing Program Revenue Bonds, 2007 Series A (Providence Public Buildings Authority Issue) (the "2007 Series A Bonds") to finance (i) improvements to the Hanley Vocational Building and related facilities for use as a career technology education center, (ii) phase IV renovations to Central High School, (iii) additional funding for the new indoor physical education and sports complex, and (iv) improvements to schools and school facilities in the City, including fire code corrections and oil tank removal (the "Series 2007 A Projects"); and

WHEREAS, RIHEBC has also issued \$75,000,000 Providence Public Schools Revenue Bond Financing Program Revenue Bonds, Series 2007 C (Providence Public Buildings Authority Issue) (the "2007 Series C Bonds" and, together with the 2006 Bonds, and the 2007 Series A Bonds, the "Prior Obligations") to finance (i) a career technology education center, (ii) renovations to the Nathan Bishop Middle School, (iii) the renovation of existing schools and school facilities in the City, including fire code corrections and oil tank removal, and (iv) administrative expenses of the Authority (the "2007 Series C Projects"); and

WHEREAS, Interest rates are at such levels that refunding some or all of the Prior Obligations would result in financial benefits for the Authority and the City; and

WHEREAS, The Authority and RIHEBC may issue refunding bonds in order to reduce the City's payments on the Prior Obligations; and

WHEREAS, In connection with the issuance of the Prior Obligations, the City Council authorized the Mayor to negotiate and lease the 2006 Projects, the 2007 Series A Project and the 2007 Series C from the Authority and to transfer or lease the 2006 Projects, the 2007 Series A Projects and the 2007 Series C Projects and such additional property to the Authority necessary to secure the Prior Obligations; and

WHEREAS, In connection with the refunding of the Prior Obligations, certain lease amendments and other certificates and agreements must be signed on behalf of the City.

NOW, THEREFORE, BE IT RESOLVED, THAT:

1. The City Council hereby authorizes the Mayor to take any and all action and to execute, file, and deliver such amendments to the lease documents and any and all agreements, notes, discharges, and other documents and amendments thereto in such form as he may deem necessary or desirable to implement refinancing of the 2006 Projects, the 2007 Series A Projects and the 2007 Series C Projects through RIHEBC and the Authority.

2. The City's Director of Finance is authorized to execute and deliver continuing disclosure certificates in connection with the Refunding Bonds issued by the Authority and/or RIHEBC, 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 each continuing disclosure certificate, as it may be amended from time to time. Notwithstanding any other provision of this Resolution or the Bonds, 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 mandamus or specific performance by court order, to cause the City to comply with its obligations under this Resolution and under any continuing disclosure certificate.

3. This Resolution shall take effect on passage.

IN CITY COUNCIL

MAR 05 2015

READ AND PASSED


PRES.


CLERK

I HEREBY APPROVE.



Mayor

Date: 3/6/15



Finance Department
"Building Pride In Providence"

FISCAL IMPACT NOTE

March 2, 2015

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

Re: Proposed Providence Public Buildings Authority Refunding Bonds

Set forth below is a fiscal impact note related to the proposed School Projects Revenue Refunding Bonds (the "Bonds") of the Providence Public Buildings Authority (the "PPBA"). The PPBA bonds evidence loans from the Rhode Island Health and Educational Building Corporation ("RIHEBC") for school purposes and secure bonds RIHEBC issues to the public market. The City, in turn, makes payments to the PPBA which it uses to pay debt service.

Upon authorization by the PPBA Board, it is anticipated that the Bonds will be issued to RIHEBC by May 14, 2015. It is anticipated that RIHEBC would refund its bonds simultaneously.

The Bonds may be issued to refund all or a portion of the PPBA's outstanding \$45,955,000 Schools Project Revenue Bonds, 2006 Series A dated as of September 1, 2006; its outstanding \$61,245,000 Schools Project Revenue Bonds, 2007 Series A dated as of October 15, 2007; and its outstanding \$60,845,000 Schools Project Revenue Bonds, 2007 Series C dated as of December 15, 2007. The Bonds are expected to mature not later than the bonds that are being refunded. The principal and interest payments are estimated as shown on the attached Schedule A based on an assumed net interest rate of 3.248%.

The State provides reimbursement for 81% of debt service and for a short time, the State will share 80% of the debt service savings with the City. The anticipated savings from the refunding for the City is shown on attached Schedule B.

Respectfully yours,

A handwritten signature in cursive script that reads "Lawrence J. Mancini".
Lawrence J. Mancini
Finance Director

PROJECTED BOND DEBT SERVICE
City of Providence, Rhode Island
Providence Public Buildings Authority
Public Schools Revenue Refunding Bonds, Series 2015 (RIHEBC)
Preliminary/Subject to Change
Dated Date 04/14/2015

Fiscal Year			
Ending	Principal	Interest	Debt Service
6/30/2015	\$ -	\$ -	\$ -
6/30/2016	4,435,000.00	7,258,005.28	11,693,005.28
6/30/2017	3,775,000.00	7,060,500.00	10,835,500.00
6/30/2018	10,065,000.00	6,909,500.00	16,974,500.00
6/30/2019	10,580,000.00	6,406,250.00	16,986,250.00
6/30/2020	11,105,000.00	5,877,250.00	16,982,250.00
6/30/2021	11,660,000.00	5,322,000.00	16,982,000.00
6/30/2022	12,240,000.00	4,739,000.00	16,979,000.00
6/30/2023	12,855,000.00	4,127,000.00	16,982,000.00
6/30/2024	13,490,000.00	3,484,250.00	16,974,250.00
6/30/2025	14,170,000.00	2,809,750.00	16,979,750.00
6/30/2026	14,880,000.00	2,101,250.00	16,981,250.00
6/30/2027	15,635,000.00	1,357,250.00	16,992,250.00
6/30/2028	11,510,000.00	575,500.00	12,085,500.00
	\$ 146,400,000.00	\$ 58,027,505.28	\$ 204,427,505.28

PROJECTED SAVINGS
City of Providence, Rhode Island
Providence Public Buildings Authority
Public Schools Revenue Refunding Bonds, Series 2015 (RIHEBC)
Preliminary/Subject to Change

Fiscal Year Ending	Prior Debt Service	Refunding Debt Service	Projected Savings	CITY SAVINGS*
6/30/2015	\$ 6,429,828	\$ -	\$ 6,429,828	\$ 5,143,863
6/30/2016	11,700,906	11,693,005	7,901	6,321
6/30/2017	10,835,531	10,835,500	31	25
6/30/2018	16,976,781	16,974,500	2,281	1,825
6/30/2019	16,994,781	16,986,250	8,531	6,825
6/30/2020	16,991,281	16,982,250	9,031	7,225
6/30/2021	16,986,031	16,982,000	4,031	3,225
6/30/2022	16,983,781	16,979,000	4,781	3,825
6/30/2023	16,986,281	16,982,000	4,281	3,425
6/30/2024	16,982,269	16,974,250	8,019	6,415
6/30/2025	16,984,044	16,979,750	4,294	3,435
6/30/2026	16,985,019	16,981,250	3,769	3,015
6/30/2027	16,993,744	16,992,250	1,494	1,195
6/30/2028	12,097,144	12,085,500	11,644	9,315
	<u>\$ 210,927,422</u>	<u>\$ 204,427,505</u>	<u>\$ 6,499,917</u>	<u>\$ 5,199,933</u>

* City retains 80% of savings on bonds with State Housing Aid Reimbursement (for refundings completed before December 31, 2015). RIDE receives the remaining 20% of the savings.

City of Providence
Providence Public Buildings Authority
Refunding of RIHEBC Series 2006A, 2007A, and 2007C

Preliminary Savings Estimates Based on Projected Rates as of 3/2/2015
 Preliminary. Subject to Change.

Savings Summary	
Par Amount	\$ 146,400,000
Premium	20,734,143
Avg Coupon of Refunded Bonds	4.759%
TIC	2.981%
All-in TIC	3.081%
Arb Yield	2.823%
Negative Arbitrage	\$ 5,831,269
Refunded Bonds	\$ 151,275,000
Net PV Savings	6,477,811
PV Savings %	4.282%
Escrow	SLGS

	Prior Debt Service (Series 2005A)	Projected Refunding Debt Service	Projected Savings	Projected CITY SAVINGS
FY 2015	\$ 6,429,828	\$ -	\$ 6,429,828	\$ 5,143,862.50
FY 2016	11,700,906	11,693,005	7,901	6,320.78
FY 2017	10,835,531	10,835,500	31	25.01
FY 2018	16,976,781	16,974,500	2,281	1,825.01
FY 2019	16,994,781	16,986,250	8,531	6,825.01
FY 2020	16,991,281	16,982,250	9,031	7,225.01
FY 2021	16,986,031	16,982,000	4,031	3,225.01
FY 2022	16,983,781	16,979,000	4,781	3,825.01
FY 2023	16,986,281	16,982,000	4,281	3,425.01
FY 2024	16,982,269	16,974,250	8,019	6,415.01
FY 2025	16,984,044	16,979,750	4,294	3,435.01
FY 2026	16,985,019	16,981,250	3,769	3,015.01
FY 2027	16,993,744	16,992,250	1,494	1,195.01
FY 2028	12,097,144	12,085,500	11,644	9,315.01
Total	\$ 210,927,422	\$ 204,427,505	\$ 6,499,917	\$ 5,199,933.38

Avg Coupon of Refunded Bonds = 4.759%

True Interest Cost of Refunding Bonds = 2.981%

SAVINGS

Providence Public Building Authority
 PBA Revenue Refunding Bonds, Series 2015
 Preliminary; subject to change
 'A1' Rates as of 2/27/15 +25 bps
 Front-Loaded Savings

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 05/14/2015 @ 2.8230107%
06/30/2015	6,429,828.13		6,429,828.13	6,429,327.47
06/30/2016	11,700,906.26	11,693,005.28	7,900.98	6,946.35
06/30/2017	10,835,531.26	10,835,500.00	31.26	-804.26
06/30/2018	16,976,781.26	16,974,500.00	2,281.26	976.53
06/30/2019	16,994,781.26	16,986,250.00	8,531.26	6,480.95
06/30/2020	16,991,281.26	16,982,250.00	9,031.26	6,678.09
06/30/2021	16,986,031.26	16,982,000.00	4,031.26	2,208.23
06/30/2022	16,983,781.26	16,979,000.00	4,781.26	2,738.86
06/30/2023	16,986,281.26	16,982,000.00	4,281.26	2,204.42
06/30/2024	16,982,268.76	16,974,250.00	8,018.76	5,177.51
06/30/2025	16,984,043.76	16,979,750.00	4,293.76	2,360.33
06/30/2026	16,985,018.76	16,981,250.00	3,768.76	2,062.23
06/30/2027	16,993,743.76	16,992,250.00	1,493.76	545.19
06/30/2028	12,097,143.76	12,085,500.00	11,643.76	7,825.54
	210,927,422.01	204,427,505.28	6,499,916.73	6,474,727.43

Savings Summary

PV of savings from cash flow	6,474,727.43
Plus: Refunding funds on hand	3,083.21
Net PV Savings	6,477,810.64

SUMMARY OF REFUNDING RESULTS

Providence Public Building Authority
 PBA Revenue Refunding Bonds, Series 2015
 Preliminary; subject to change
 'A1' Rates as of 2/27/15 +25 bps
 Front-Loaded Savings

Dated Date	05/14/2015
Delivery Date	05/14/2015
Arbitrage yield	2.823011%
Escrow yield	0.546947%
Value of Negative Arbitrage	5,831,269.12
Bond Par Amount	146,400,000.00
True Interest Cost	2.981360%
Net Interest Cost	3.248136%
All-In TIC	3.080914%
Average Coupon	4.989675%
Average Life	7.944
Par amount of refunded bonds	151,275,000.00
Average coupon of refunded bonds	4.758570%
Average life of refunded bonds	7.782
PV of prior debt to 05/14/2015 @ 2.823011%	174,886,020.94
Net PV Savings	6,477,810.64
Percentage savings of refunded bonds	4.282142%

SUMMARY OF BONDS REFUNDED

Providence Public Building Authority
PBA Revenue Refunding Bonds, Series 2015
Preliminary; subject to change
'A1' Rates as of 2/27/15 +25 bps
Front-Loaded Savings

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
Revenue Bonds, 2006 Series A, 06A:					
SERIALS	05/15/2017	5.000%	2,855,000.00	05/15/2016	100.000
	05/15/2018	5.000%	3,000,000.00	05/15/2016	100.000
	05/15/2019	5.000%	3,155,000.00	05/15/2016	100.000
	05/15/2020	5.000%	3,315,000.00	05/15/2016	100.000
	05/15/2021	5.000%	3,475,000.00	05/15/2016	100.000
	05/15/2022	5.000%	3,650,000.00	05/15/2016	100.000
	05/15/2023	5.000%	3,830,000.00	05/15/2016	100.000
	05/15/2024	5.000%	4,030,000.00	05/15/2016	100.000
	05/15/2025	5.000%	4,225,000.00	05/15/2016	100.000
	05/15/2026	5.000%	4,435,000.00	05/15/2016	100.000
	05/15/2027	5.000%	4,660,000.00	05/15/2016	100.000
	05/15/2015	5.000%	2,370,000.00		
	05/15/2016	5.000%	2,005,000.00		
			45,005,000.00		
RIHEBC, Revenue Bonds Series 2007A, 07A:					
SERIAL	05/15/2018	5.000%	3,640,000.00	05/15/2017	100.000
	05/15/2019	5.000%	3,830,000.00	05/15/2017	100.000
	05/15/2020	5.000%	4,020,000.00	05/15/2017	100.000
	05/15/2021	4.250%	800,000.00	05/15/2017	100.000
	05/15/2021	5.000%	3,425,000.00	05/15/2017	100.000
	05/15/2022	5.000%	4,425,000.00	05/15/2017	100.000
	05/15/2023	4.500%	4,650,000.00	05/15/2017	100.000
	05/15/2024	4.500%	4,850,000.00	05/15/2017	100.000
	05/15/2025	4.500%	5,075,000.00	05/15/2017	100.000
	05/15/2026	4.500%	5,305,000.00	05/15/2017	100.000
	05/15/2027	4.500%	5,545,000.00	05/15/2017	100.000
	05/15/2028	4.500%	5,790,000.00	05/15/2017	100.000
	05/15/2016	5.500%	1,775,000.00		
	05/15/2017	5.500%	750,000.00		
			53,880,000.00		
RIHEBC, Revenue Bond, Series 2007 C, 07C:					
SERIAL	05/15/2018	5.000%	3,600,000.00	05/15/2017	100.000
	05/15/2019	5.000%	3,785,000.00	05/15/2017	100.000
	05/15/2020	5.000%	3,970,000.00	05/15/2017	100.000
	05/15/2021	5.000%	4,165,000.00	05/15/2017	100.000
	05/15/2022	5.000%	4,375,000.00	05/15/2017	100.000
	05/15/2023	4.750%	4,595,000.00	05/15/2017	100.000
	05/15/2024	4.750%	4,810,000.00	05/15/2017	100.000
	05/15/2025	4.750%	5,040,000.00	05/15/2017	100.000
	05/15/2026	4.750%	5,280,000.00	05/15/2017	100.000
	05/15/2027	4.500%	5,535,000.00	05/15/2017	100.000
	05/15/2028	4.500%	4,770,000.00	05/15/2017	100.000
	05/15/2028	4.625%	1,015,000.00	05/15/2017	100.000
	05/15/2015	5.000%	405,000.00		
	05/15/2016	5.000%	750,000.00		
	05/15/2017	5.000%	295,000.00		
			52,390,000.00		
			151,275,000.00		

BOND DEBT SERVICE

Providence Public Building Authority
PBA Revenue Refunding Bonds, Series 2015
Preliminary; subject to change
'A1' Rates as of 2/27/15 +25 bps
Front-Loaded Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
11/15/2015			3,639,055.28	3,639,055.28	
05/15/2016	4,435,000	4.000%	3,618,950.00	8,053,950.00	
06/30/2016					11,693,005.28
11/15/2016			3,530,250.00	3,530,250.00	
05/15/2017	3,775,000	4.000%	3,530,250.00	7,305,250.00	
06/30/2017					10,835,500.00
11/15/2017			3,454,750.00	3,454,750.00	
05/15/2018	10,065,000	5.000%	3,454,750.00	13,519,750.00	
06/30/2018					16,974,500.00
11/15/2018			3,203,125.00	3,203,125.00	
05/15/2019	10,580,000	5.000%	3,203,125.00	13,783,125.00	
06/30/2019					16,986,250.00
11/15/2019			2,938,625.00	2,938,625.00	
05/15/2020	11,105,000	5.000%	2,938,625.00	14,043,625.00	
06/30/2020					16,982,250.00
11/15/2020			2,661,000.00	2,661,000.00	
05/15/2021	11,660,000	5.000%	2,661,000.00	14,321,000.00	
06/30/2021					16,982,000.00
11/15/2021			2,369,500.00	2,369,500.00	
05/15/2022	12,240,000	5.000%	2,369,500.00	14,609,500.00	
06/30/2022					16,979,000.00
11/15/2022			2,063,500.00	2,063,500.00	
05/15/2023	12,855,000	5.000%	2,063,500.00	14,918,500.00	
06/30/2023					16,982,000.00
11/15/2023			1,742,125.00	1,742,125.00	
05/15/2024	13,490,000	5.000%	1,742,125.00	15,232,125.00	
06/30/2024					16,974,250.00
11/15/2024			1,404,875.00	1,404,875.00	
05/15/2025	14,170,000	5.000%	1,404,875.00	15,574,875.00	
06/30/2025					16,979,750.00
11/15/2025			1,050,625.00	1,050,625.00	
05/15/2026	14,880,000	5.000%	1,050,625.00	15,930,625.00	
06/30/2026					16,981,250.00
11/15/2026			678,625.00	678,625.00	
05/15/2027	15,635,000	5.000%	678,625.00	16,313,625.00	
06/30/2027					16,992,250.00
11/15/2027			287,750.00	287,750.00	
05/15/2028	11,510,000	5.000%	287,750.00	11,797,750.00	
06/30/2028					12,085,500.00
	146,400,000		58,027,505.28	204,427,505.28	204,427,505.28

PRIOR BOND DEBT SERVICE
 Providence Public Building Authority
 PBA Revenue Refunding Bonds, Series 2015
 Preliminary; subject to change
 'A1' Rates as of 2/27/15 +25 bps
 Front-Loaded Savings

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
05/15/2015	2,775,000	5.000%	3,654,828.13	6,429,828.13	
06/30/2015					6,429,828.13
11/15/2015			3,585,453.13	3,585,453.13	
05/15/2016	4,530,000	** %	3,585,453.13	8,115,453.13	
06/30/2016					11,700,906.26
11/15/2016			3,467,765.63	3,467,765.63	
05/15/2017	3,900,000	** %	3,467,765.63	7,367,765.63	
06/30/2017					10,835,531.26
11/15/2017			3,368,390.63	3,368,390.63	
05/15/2018	10,240,000	5.000%	3,368,390.63	13,608,390.63	
06/30/2018					16,976,781.26
11/15/2018			3,112,390.63	3,112,390.63	
05/15/2019	10,770,000	5.000%	3,112,390.63	13,882,390.63	
06/30/2019					16,994,781.26
11/15/2019			2,843,140.63	2,843,140.63	
05/15/2020	11,305,000	5.000%	2,843,140.63	14,148,140.63	
06/30/2020					16,991,281.26
11/15/2020			2,560,515.63	2,560,515.63	
05/15/2021	11,865,000	** %	2,560,515.63	14,425,515.63	
06/30/2021					16,986,031.26
11/15/2021			2,266,890.63	2,266,890.63	
05/15/2022	12,450,000	5.000%	2,266,890.63	14,716,890.63	
06/30/2022					16,983,781.26
11/15/2022			1,955,640.63	1,955,640.63	
05/15/2023	13,075,000	** %	1,955,640.63	15,030,640.63	
06/30/2023					16,986,281.26
11/15/2023			1,646,134.38	1,646,134.38	
05/15/2024	13,690,000	** %	1,646,134.38	15,336,134.38	
06/30/2024					16,982,268.76
11/15/2024			1,322,021.88	1,322,021.88	
05/15/2025	14,340,000	** %	1,322,021.88	15,662,021.88	
06/30/2025					16,984,043.76
11/15/2025			982,509.38	982,509.38	
05/15/2026	15,020,000	** %	982,509.38	16,002,509.38	
06/30/2026					16,985,018.76
11/15/2026			626,871.88	626,871.88	
05/15/2027	15,740,000	** %	626,871.88	16,366,871.88	
06/30/2027					16,993,743.76
11/15/2027			261,071.88	261,071.88	
05/15/2028	11,575,000	** %	261,071.88	11,836,071.88	
06/30/2028					12,097,143.76
	151,275,000		59,652,422.01	210,927,422.01	210,927,422.01