

DEPARTMENT OF CITY CLERK

CITY HALL

NOVEMBER 22, 1982

The Committee on Finance meets this day at 4:00 o'clock P.M. in Committee Room "A".

Present: Chairwoman Brassil and Councilmen Dillon, Easton, Paolino, Flynn and Farmer.

Also present are Acting City Solicitor DeCelles and William Collins of the Mayor's Office. (Rose M. Mendonca, Clerk).

RELATIVE TO BORROWING OF \$290,000
PUBLIC IMPROVEMENT BONDS.

Mr. Collins states State Law allows the City to borrow up to \$1,000,000 without voters approval, that expires January 1, 1983

All but \$290,000 is borrowed. That amount can be borrowed by December 31, 1982.

Frank Juchnik of the Fleet National Bank was going through bonding authorities that have expired.

He explains in detail, what must be done at the Port for the Cranes.

Mr. Collins further states the Administration thought it best to borrow as it should not be taken from the General Fund.

Councilman Easton states his concern is the extra money in the Public Works budget or any large department.

The matter is continued until Finance Director Baron is able to join the Committee.

AN ORDINANCE AMENDING THE APPROPRIATION ORDINANCE, CHAPTER 1982-42 APPROVED JULY 7, 1982, BY TRANSFERRING CERTAIN SUMS OF MONEY TO MAYOR'S OFFICE AND CITY COUNCIL.

AN ORDINANCE IN AMENDMENT OF SECTION 2-22 OF THE CODE OF ORDINANCES OF THE CITY OF PROVIDENCE, ENTITLED: "SALARY OF MAYOR" AND SECTION 2-23 ENTITLED: "SALARIES OF COUNCILMEN, EXPENSE ACCOUNTS".

Councilman Easton is of the opinion the Council has been cut in half and twice the work will have to be done by the remaining members. A certain number of constituents must be served.

He feels that rationale is justified in the increases requested for the City Council in the foregoing Ordinances. He refers to the increases received by City employees during the last ten or fifteen years.

He speaks of the present salary of the Mayor and department

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heads. Some are being paid more than the Mayor.

Councilman Dillon states the remarks have some merit. He is disturbed at the manner it was reported in the press.

He refers to the newspaper articles and speaks at length of the Charter, Directors of Department and Employees.

He does not want to rely on it for his livelihood but members must be compensated for the time they put in.

Councilman Dillon would have no objection to the Committee putting together a group of five people and the recommendation of this group be accepted.

Councilman Paolino suggests the matter be referred to the City Council and the Providence Review Commission for a report prior to second passage.

Councilman Farmer states his problem has to do with the size of the increase over the next three years. He cannot accept Councilman Easton's argument over the Council being reduced. They can say it is justified but so are a lot of department heads. Everyone has to make a sacrifice if they are part of the government, including the City Council.

As a Minority Leader he would no doubt receive more money, however, Chairpersons of certain Committees probably do spend extra time and do not receive extra compensation. That additional compensation is not justified over that paid to any other Council member. By the same token there may be a justification in Committee Chairmen receiving more than other members if it is based on additional responsibility.

On motion of Councilman Easton, seconded by Councilman Paolino, it is voted to transmit the forgoing Ordinances to the City Council with recommendation of Adoption and the Clerk is requested to send copies to the Providence Review Commission, with a memorandum requesting they submit their opinion prior to second passage of the Ordinance, December 16, 1982.

Councilman Farmer desires to be recorded as voting "No."

RELATIVE TO REQUEST FOR TWELVE YEAR TAX
EXEMPTION FOR PARKING DECKS.

Lloyd Bliss of Bliss Properties and Sidney Goldman are present relative to the above.

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Mr. Bliss states he appreciates the opportunity to meet with the Finance Committee and give them the background of this parking garage facility they have been working on for the past 18 months to 2 years, to give facts that would otherwise not be available to the Committee that are important.

He built this present parking deck now standing across the street from the Ocean State Theatre some twenty odd years ago. At the time it was the first parking facility ever built in downtown Providence.

It was built at that time because of the tax moratorium put into effect for twelve years under the Reynolds Administration. Everyone felt a great need for parking downtown. They were the first ones and had widespread publicity.

The history is, it was leased to Myers Brothers for a 25 year lease. Not too long after that, downtown Providence started on its long downward demise. At first there was a great amount of downtown activity at night. Narragansett Hotel was torn down and the Biltmore went out of business. It then appeared there was no need for parking.

The deck has had financial problems that on two occasions Myers Brothers pleaded their case on two occasions he was obliged, in order to keep them in business, to give them substantial reductions in their rent. They continued to lose money.

He in turn experienced an unsuccessful project there over the years.

The deck, being as old as it is, has deteriorated physically over the period of years and while Myers Brothers has responsibility of maintenance, it presently calls for almost a full reconstruction to make it safe for the public. The foundation has weakened.

They are faced with tearing down the deck if the City does not go along with this project. There are presently 122 cars. The proposed deck will allow more than 300 cars to begin with on a three level deck. Foundations are included in the plans for a fourth deck at any time when the need becomes apparent.

This was investigated about a year and a half ago by the Providence Foundation Kenn Orenstein and Robert Freeman spoke to them to interest them in tearing down this deck and erecting a larger deck. It would cost more than \$200,000 to repair the deck. He agreed to

tear it down.

Mr. Bliss reviews what transpired during the meetings.

The Providence Foundation were of the opinion they could raise 1½ million dollars within the downtown area if Mr. Bliss contributed the land on a long term lease at a low rental. They found it impossible to get it organized.

They agreed if it was possible to come out with a certain budget of 1.4 or 1.5 million dollars to build the garage, put it with the value of the land, hoping the tax moratorium would be revived again and put on the books.

They hired Fenton Keyes & Associates and they said they would have to be guaranteed a contract. Gilbane was involved as the Contractor. The cost came out to over 1.7 million dollars.

Mr. Bliss shows a drawing of the proposed garage.

The financing is in order. Tomorrow they will sign the contract for building the deck.

He urges the Committee and the City Council as he cannot exist without a twelve year moratorium and would not be interested in going through with it.

Councilman Easton states he reviewed all this with Ken Orenstein and the question is, when is the City of Providence going to stop talking about the parking issue. He refers to the Downtown Parking Authority in the new City Charter.

What is needed is low cost short term parking.

He states he would rather see the City involved in creating parking itself rather than getting involved in giving tax exemptions.

Councilman Farmer states Mr. Bliss has persuaded him that an exemption is needed. The purpose of the enabling legislation to induce investors to alleviate the parking problems.

Sidney Goldman steps forward and refers to the parking deck which was built along Pine Street, in back of the Old Colony Bank.

Myers Brothers owned this block and used it as a flat parking lot. Because of the Judicial Center and the rehabilitation of the buildings around the lot, they built a 3 deck parking garage at a cost of over \$1,000,000. which was privately financed with an interest rate of 16½ or 17 %.

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They knew in the spring that the City Council had requested the Legislature to pass the twelve year exemption.

Mr. Goldman refers to exemptions previously granted. At the present time there is no exemption on his structure or on the deck to be built by Mr. Bliss.

The land stays on the tax rolls and there was never any building on the land.

The deck operated seven weeks ago at \$4.00 a day. They were losing seven to nine hundred dollars a day. They lowered the price to \$3.00 a day. It is now 2/3 to 3/4's filled.

He shows a design on what they want to do to enhance the building to fit in with the architecture of the area. They have \$80,000 to enclose the garage and improve it and are willing to do this voluntarily but need the exemption to exist.

Following considerable discussion, it is voted, on motion of Councilman Flynn, seconded by Councilman Dillon, to grant the twelve year tax exemptions to the two parking garages as requested by Messrs. Bliss and Goldman and the Clerk is to prepare the necessary Resolution for transmittal to the City Council.

Councilman Paolino desires to be recorded as "Not Voting".

RESOLUTION AUTHORIZING THE CITY TREASURER TO
CREATE A SPECIAL VETERANS DAY MEMORIAL FUND
TO BE JOINTLY ADMINISTERED ANNUALLY ON NOVEMBER
11TH BY THE SPECIAL COMMITTEE ON ARMISTICE DAY
CELEBRATION AND THE COLLECTIVE VETERANS
ORGANIZATIONS.

On motion of Councilman Farmer, seconded by Councilman Dillon, the foregoing Resolution is Continued.

The Committee adjourns at 6:20 o'clock P.M. on motion of Councilman Flynn, seconded by Councilman Farmer.

Rose M. Mendonca
Clerk

Copied *JMA*

Compared *JMA*