

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

JOINT RESOLUTION

TO APPROVE FINANCING FOR CONSTRUCTION OF A NEW RESIDENCE FACILITY  
ON THE UNIVERSITY OF RHODE ISLAND KINGSTON CAMPUS

Introduced By: Senators Sosnowski, Algiere, Jabour, Sheehan, and Gallo

Date Introduced: March 15, 2017

Referred To: Senate Finance

1 WHEREAS, The Rhode Island Council on Postsecondary Education is proposing a  
2 project which involves the construction of a new residence hall on the west bank of the White  
3 Horn Brook located in the northwest corner of the Kingston campus of the University of Rhode  
4 Island in the Town of South Kingstown, Rhode Island; and

5 WHEREAS, The growth of undergraduate student enrollment is critical to the fiscal  
6 health of the University; and

7 WHEREAS, There is high undergraduate student demand for apartment style on-campus  
8 housing; and

9 WHEREAS, The University is committed to providing adequate and appropriate housing  
10 opportunities for its students; and

11 WHEREAS, The University continues to undertake significant improvements to existing  
12 dormitory style housing facilities and has built new units that offer both suite style and apartment  
13 living options with the goal of providing over fifty percent (50%) of its undergraduate students  
14 on-campus housing in keeping with its peer institutions; and

15 WHEREAS, Apartment style housing units are critical for the on-campus retention of  
16 third and fourth year students that often seek alternative housing off campus; and

17 WHEREAS, A recent market study has demonstrated that the market demand for  
18 additional, apartment style campus housing indicates that this project will be fully occupied upon  
19 completion and into the future; and

1           WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the  
2 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island  
3 and other public agencies of certain obligations including financing guarantees or other  
4 agreements; and

5           WHEREAS, The design and construction of the project will be financed through Rhode  
6 Island Health and Educational Building revenue bonds, with an expected term of thirty (30)  
7 years; and

8           WHEREAS, The total project costs associated with the completion of the project and  
9 proposed financing method would be supported approximately ninety-five percent (95%) by  
10 auxiliary fee revenues for URI Housing and Residential Life for the apartment building and  
11 approximately five percent (5%) by University general funds for site enabling facility relocation,  
12 utility and hardscape and landscape infrastructure and site work; and

13           WHEREAS, The project is currently in design and targeting a total project financing cost  
14 of eighty-eight million seven hundred and eighty-seven thousand dollars (\$88,787,000), with a  
15 request to have seventy-eight million, four hundred forty thousand dollars (\$78,440,000)  
16 deposited into a construction fund, eight million, thirty-seven thousand dollars (\$8,037,000)  
17 deposited in a capitalized interest fund, and two million, three hundred ten thousand dollars  
18 (\$2,310,000) to pay the associated cost of financing, and with an assumed interest rate of five  
19 percent (5%) debt service, repayments will not exceed one hundred seventy-three million, two  
20 hundred seventy-one thousand, six hundred fifty-three dollars (\$173,271,653); and

21           WHEREAS, The University has been advised by its architectural and project  
22 management firms to anticipate potential additional escalation of construction costs leading up to  
23 the final pricing of the construction of this project; now therefore be it

24           RESOLVED, That the General Assembly hereby approves financing in an amount not to  
25 exceed total debt service payments of one hundred seventy-three million, two hundred seventy-  
26 one thousand, six hundred fifty-three dollars (\$173,271,653) for construction of a new apartment  
27 style residence facility on the University of Rhode Island Kingston Campus, with the not-to-  
28 exceed amount to be financed determined by the actual financing interest rate at the time of the  
29 bond issuance; and be it further

30           RESOLVED, That this Joint Resolution shall take effect upon passage.

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