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ARTICLE 5 AS AMENDED

RELATING TO CAPITAL DEVELOPMENT PROGRAM

SECTION 1. **Proposition to be submitted to the people.** -- At the general election to be held on the Tuesday next after the first Monday in November 2014, there shall be submitted to the people for their approval or rejection the following proposition:

"Shall the action of the general assembly, by an act passed at the January 2014 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of the state for the capital projects and in the amount with respect to each such project listed below be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of said act?"

Project

(1) Higher Education Facilities \$125,000,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed one hundred twenty-five million dollars (\$125,000,000) to construct a new College of Engineering building and undertake supporting renovations. The new building will anchor the northwest corner of the Engineering Quadrangle on the Kingston Campus and provide contemporary and state-of-the-art instructional and research facilities. As part of this project, outdated engineering buildings will be taken out of service and razed.

(2) Creative and Cultural Economy \$35,000,000

Approval of this question will authorize the State of Rhode Island to issue general obligation bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million dollars (\$35,000,000) to fund capital improvement, preservation and renovation projects for public and nonprofit artistic, performance centers, historic sites, museums and cultural art centers located throughout the State of Rhode Island, to be allotted as follows:

(a) Cultural Arts and the Economy Grant Program \$30,000,000

Provide funds for 1:1 matching grants for a new Cultural Arts and the Economy Grant program to be administered by the Rhode Island State Council on the Arts for capital improvement, preservation and renovation projects for public and nonprofit artistic, performance centers and cultural art centers located throughout the State of Rhode Island.

1 available gifts or grants for projects, the amount of square footage to be improved, the
2 geographical location and characteristics of audiences benefitted.

3 (b) State Preservation Grants Program \$5,000,000

4 Provide funds to cities, towns and non-profit organizations to preserve, renovate and
5 improve public and nonprofit historic sites, museums, and cultural art centers located in historic
6 structures in the State of Rhode Island to be administered by the Rhode Island Historical
7 Preservation and Heritage Commission.

8 (3) Mass Transit Hub Infrastructure \$35,000,000

9 Approval of this question will allow the State of Rhode Island to issue general obligation
10 bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million
11 dollars (\$35,000,000) to fund enhancements and renovations to mass transit hub infrastructure
12 throughout the State of Rhode Island to improve access to multiple intermodal sites, key
13 transportation, healthcare, and other locations.

14 (4) Clean Water, Open Space, and Healthy Communities \$53,000,000

15 Approval of this question will allow the State of Rhode Island to issue general obligation
16 bonds, refunding bonds, and temporary notes in an amount not to exceed fifty-three million
17 dollars (\$53,000,000) for environmental and recreational purposes, to be allotted as follows:

18 (a) Brownfield Remediation and Economic Development \$5,000,000

19 Provides up to eighty percent (80%) matching grants to public, private, and/or non-profit
20 entities for brownfield remediation projects.

21 (b) Flood Prevention \$3,000,000

22 To provide grants to public and/or non-profit entities for project design and construction
23 grants for repairing and/or removing dams, restoring and/or improving resiliency of vulnerable
24 coastal habitats, and restoring rivers and stream floodplains.

25 (c) Farmland Acquisition \$3,000,000

26 Provides funds to protect the state's working farms.

27 (d) Local Recreation Grants \$4,000,000

28 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,
29 develop, or rehabilitate local recreational facilities to meet the growing needs for active
30 recreational facilities.

31 (e) Roger Williams Park Zoo \$15,000,000

32 Provides funds for improvements and renovations to the Roger Williams Park Zoo.

33 (f) Roger Williams Park \$3,000,000

34 Provides funds for improvements and renovations to the Roger Williams Park.

1 (g) Clean Water Finance Agency \$20,000,000

2 Provides funds to finance water pollution abatement infrastructure projects.

3 SECTION 2. **Ballot labels and applicability of general election laws.** -- The secretary
4 of state shall prepare and deliver to the state board of elections ballot labels for each of the
5 projects provided for in section 1 hereof with the designations "approve" or "reject" provided next
6 to the description of each such project to enable voters to approve or reject each such proposition.
7 The general election laws, so far as consistent herewith, shall apply to this proposition.

8 SECTION 3. **Approval of projects by people.** -- If a majority of the people voting on
9 the proposition provided for in section 1 hereof shall vote to approve the proposition as to any
10 project provided for in section 1 hereof, said project shall be deemed to be approved by the
11 people. The authority to issue bonds, refunding bonds and temporary notes of the state shall be
12 limited to the aggregate amount for all such projects as set forth in the proposition provided for in
13 section 1 hereof which has been approved by the people.

14 SECTION 4. **Bonds for capital development program.** -- The general treasurer is
15 hereby authorized and empowered with the approval of the governor and in accordance with the
16 provisions of this act, to issue from time to time capital development bonds in serial form in the
17 name and on behalf of the state in amounts as may be specified from time to time by the governor
18 in an aggregate principal amount not to exceed the total amount for all projects approved by the
19 people and designated as "capital development loan of 2014 bonds" provided, however, that the
20 aggregate principal amount of such capital development bonds and of any temporary notes
21 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
22 exceed the total amount for all such projects as have been approved by the people. All provisions
23 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds".

24 Capital development bonds issued under this act shall be in denominations of one
25 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
26 of the United States which at the time of payment shall be legal tender for public and private
27 debts. These capital development bonds shall bear such date or dates, mature at specified time or
28 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
29 which they are issued, bear interest payable semi-annually at a specified rate or different or
30 varying rates, be payable at designated time or times at specified place or places, be subject to
31 expressed terms of redemption or recall, with or without premium, be in a form, with or without
32 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
33 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
34 approval of the governor, upon each issue of such capital development bonds at the time of each

1 issue. Whenever the governor shall approve the issuance of such capital development bonds, he
2 or she shall certify approval to the secretary of state; the bonds shall be signed by the general
3 treasurer and countersigned by the manual or facsimile signature of the secretary of state and
4 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be
5 endorsed on each bond so approved with a facsimile of his or her signature.

6 **SECTION 5. Refunding bonds for 2014 capital development program.** -- The general
7 treasurer is hereby authorized and empowered, with the approval of the governor and in
8 accordance with the provisions of this act, to issue from time to time bonds to refund the 2014
9 capital development program bonds in the name and on behalf of the state, in amounts as may be
10 specified from time to time by the governor in an aggregate principal amount not to exceed the
11 total amount approved by the people, to be designated as "capital development program loan of
12 2014 refunding bonds" (hereinafter "refunding bonds").

13 The general treasurer with the approval of the governor shall fix the terms and form of
14 any refunding bonds issued under this act in the same manner as the capital development bonds
15 issued under this act, except that the refunding bonds may not mature more than twenty (20)
16 years from the date of original issue of the capital development bonds being refunded.

17 The proceeds of the refunding bonds, exclusive of any premium and accrual interest and
18 net the underwriters' cost, and cost of bond insurance, shall, upon their receipt, be paid by the
19 general treasurer immediately to the paying agent for the capital development bonds which are to
20 be called and prepaid. The paying agent shall hold the refunding bond proceeds in trust until they
21 are applied to prepay the capital development bonds. While such proceeds are held in trust, they
22 may be invested for the benefit of the state in obligations of the United States of America or the
23 State of Rhode Island.

24 If the general treasurer shall deposit with the paying agent for the capital development
25 bonds the proceeds of the refunding bonds or proceeds from other sources amounts that, when
26 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
27 principal, interest, and premium, if any, on the capital development bonds until these bonds are
28 called for prepayment, then such capital development bonds shall not be considered debts of the
29 State of Rhode Island for any purpose from the date of deposit of such moneys with the paying
30 agent. The refunding bonds shall continue to be a debt of the state until paid.

31 The term "bond" shall include "note", and the term "refunding bonds" shall include
32 "refunding notes" when used in this act.

33 **SECTION 6. Proceeds of capital development program.** -- The general treasurer is
34 directed to deposit the proceeds from the sale of capital development bonds issued under this act,

1 exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond
2 insurance, in one or more of the depositories in which the funds of the state may be lawfully kept
3 in special accounts (hereinafter cumulatively referred to as "such capital development bond
4 fund") appropriately designated for each of the projects set forth in section 1 hereof which shall
5 have been approved by the people to be used for the purpose of paying the cost of all such
6 projects so approved.

7 All monies in the capital development bond fund shall be expended for the purposes
8 specified in the proposition provided for in section 1 hereof under the direction and supervision of
9 the director of administration (hereinafter referred to as "director"). The director or his or her
10 designee shall be vested with all power and authority necessary or incidental to the purposes of
11 this act, including but not limited to, the following authority: (a) to acquire land or other real
12 property or any interest, estate or right therein as may be necessary or advantageous to
13 accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans
14 and specifications, and relocation expenses and other costs such as for furnishings, equipment
15 designing, inspecting and engineering, required in connection with the implementation of any
16 projects set forth in section 1 hereof; (c) to direct payment for the costs of construction,
17 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
18 improvements to land in connection with the implementation of any projects set forth in section 1
19 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
20 for repair, renovation or conversion of systems and structures as necessary for 2014 capital
21 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
22 expended in excess of the amount of the capital development bond fund designated for each
23 project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
24 section 1, the proceeds shall be used for the following purposes:

25 Question 1 relating to bonds in the amount of one hundred twenty-five million dollars
26 (\$125,000,000) to be provided to the University of Rhode Island to construct a state-of-the-art
27 College of Engineering building and for supporting renovations and demolition of outdated
28 engineering buildings at the University of Rhode Island Kingston Campus.

29 Question 2 relating to bonds in the amount of thirty-five million dollars (\$35,000,000) for
30 capital improvements, preservation and renovation projects for public and non-profit artistic,
31 performance centers, historic sites, museums and cultural arts centers to be allocated as follows:

32 (a) Cultural Arts and the Economy Grant Program \$30,000,000

33 Provide funds for 1:1 matching grants for a new Cultural Arts and the Economy Grant
34 program to be administered by the Rhode Island State Council on the Arts for capital

1 improvement, preservation and renovation projects for public and nonprofit artistic, performance
2 centers and cultural art centers located throughout the State of Rhode Island. Contracts for
3 construction entered into on or after November 6, 2014 shall be in compliance with § 37-13-1 et
4 seq. (prevailing wage); however, contracts entered into prior to November 6, 2014 shall not be
5 subject to this requirement.

6 1. Trinity Repertory Company \$4,647,750

7 For the Lederer Theater and the Pell Chafee Performance Center, both in Providence,
8 used for performance facilities, educational instruction, production and administration, including
9 reimbursements of advances of up to \$1,500,000 expended for ongoing fire code upgrades.

10 2. Rhode Island Philharmonic \$2,390,250

11 For the Carter Center for Music Education and Performance in East Providence, used for
12 music teaching, learning, performance and administration.

13 3. Newport Performing Arts Center \$4,216,800

14 For the Opera House in Newport for use as a multi-cultural performing arts and
15 educational facility.

16 4. United Theater/Westerly Land Trust \$2,369,440

17 For the United Theater in Westerly for use as space for performing arts, fine arts
18 showcase, arts instruction, cinema, public television station and program administration.

19 5. The Chorus of Westerly \$1,054,200

20 For the George Kent Performance Hall in Westerly for music and arts performance,
21 teaching and rehearsal space, administrative and community function space.

22 6. The Stadium Theater Conservatory in Woonsocket \$2,108,400

23 For set construction, costuming, rehearsal, voice, acting and dance studios and
24 administrative spaces.

25 7. 2nd Story Theater \$1,054,200

26 For performance venues in Warren, including concessions studio/classroom space, set
27 construction shop and administrative offices.

28 8. AS220 \$2,108,400

29 For AS220's facilities in Providence used for performing arts, dance studio, youth and
30 adult education, gallery and artist live/work space.

31 9. WaterFire Providence \$3,162,600

32 To develop a 27,000 square foot historic warehouse in the Valley/Olneyville
33 neighborhood into its headquarters, multi-use community arts center, visitor center, education
34 center and arts and creative industries incubator.

1 Program, the Department of Environmental Management will purchase farmland in danger of
2 converting to non-agricultural use, then restrict and affordably sell or lease the land to qualified
3 farmers. Funds from sale of the land to farmers will be returned to the program account for re-use
4 in new projects. Funds provided under this section may also be used for the purchase of
5 development rights to farms by the Agricultural Preservation Commission.

6 (d) Local Recreation Grants \$4,000,000

7 Provides up to eighty percent (80%) matching grant funds to municipalities to acquire,
8 develop, or rehabilitate local recreational facilities to meet the growing needs for active
9 recreational facilities. All grant applications are evaluated and ranked by the State Recreation
10 Resources Review Committee.

11 (e) Roger Williams Park Zoo \$15,000,000

12 Provides funds to construct a new education center to meet the increased demand for
13 education programs; to renovate and convert the existing education center into a world class
14 reptile facility; for demolition of existing facilities and construction of a new tropical rainforest
15 building to house rare and endangered animals and event space; or for other improvements to the
16 Roger Williams Park Zoo.

17 (f) Roger Williams Park \$3,000,000

18 Provides funds for construction and reconstruction of roads, bridges, sidewalks and
19 walkways within Roger Williams Park.

20 (g) Capital for Clean Water \$20,000,000

21 Provides funds to be administered by the Clean Water Finance Agency to finance water
22 pollution abatement infrastructure projects. The Department of Environmental Management has
23 compiled a list of more than \$1.8 billion dollars of needed clean water infrastructure
24 improvements from municipalities and the Narragansett Bay Commission. Projects range from
25 wastewater treatment upgrades and stormwater quality improvements to combined sewer
26 overflow abatement projects.

27 **SECTION 7. Sale of bonds and notes.** -- Any bonds or notes issued under the authority
28 of this act shall be sold from time to time at not less than the principal amount thereof, in such
29 mode and on such terms and conditions as the general treasurer, with the approval of the
30 governor, shall deem to be for the best interests of the state.

31 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's
32 discount, which may be received on the sale of the capital development bonds or notes shall
33 become part of the Municipal Road and Bridge Revolving Fund of the state, unless directed by
34 federal law or regulation to be used for some other purpose.

1 In the event that the amount received from the sale of the capital development bonds or
2 notes exceeds the amount necessary for the purposes stated in section 6 hereof, the surplus may
3 be used to the extent possible to retire the bonds as the same may become due, to redeem them in
4 accordance with the terms thereof or otherwise to purchase them as the general treasurer, with the
5 approval of the governor, shall deem to be for the best interests of the state.

6 Any bonds or notes issued under the provisions of this act and coupons on any capital
7 development bonds, if properly executed by the manual or facsimile signatures of officers of the
8 state in office on the date of execution shall be valid and binding according to their tenor,
9 notwithstanding that before the delivery thereof and payment therefor, any or all such officers
10 shall for any reason have ceased to hold office.

11 **SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. -**

12 - All bonds and notes issued under the authority of this act shall be exempt from taxation in the
13 state and shall be general obligations of the state, and the full faith and credit of the state is hereby
14 pledged for the due payment of the principal and interest on each of such bonds and notes as the
15 same shall become due.

16 **SECTION 9. Investment of moneys in fund. --** All moneys in the capital development

17 fund not immediately required for payment pursuant to the provisions of this act may be invested
18 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such
19 chapter; provided, however, that the securities in which the capital development fund is invested
20 shall remain a part of the capital development fund until exchanged for other securities; and
21 provided further, that the income from investments of the capital development fund shall become
22 a part of the general fund of the state and shall be applied to the payment of debt service charges
23 of the state, unless directed by federal law or regulation to be used for some other purpose, or to
24 the extent necessary, to rebate to the United States treasury any income from investments
25 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent
26 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
27 federal income taxation.

28 **SECTION 10. Appropriation. --** To the extent the debt service on these bonds is not

29 otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
30 notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
31 appropriated.

32 **SECTION 11. Advances from general fund. --** The general treasurer is authorized from

33 time to time with the approval of the director and the governor, in anticipation of the issue of
34 notes or bonds under the authority of this act, to advance to the capital development bond fund for

1 the purposes specified in section 6 hereof, any funds of the state not specifically held for any
2 particular purpose; provided, however, that all advances made to the capital development bond
3 fund shall be returned to the general fund from the capital development bond fund forthwith upon
4 the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
5 to the extent of such advances.

6 **SECTION 12. Federal assistance and private funds.** -- In carrying out this act, the
7 director, or his or her designee, is authorized on behalf of the state, with the approval of the
8 governor, to apply for and accept any federal assistance which may become available for the
9 purpose of this act, whether in the form of loan or grant or otherwise, to accept the provision of
10 any federal legislation therefor, to enter into, act and carry out contracts in connection therewith,
11 to act as agent for the federal government in connection therewith, or to designate a subordinate
12 so to act. Where federal assistance is made available, the project shall be carried out in
13 accordance with applicable federal law, the rules and regulations thereunder and the contract or
14 contracts providing for federal assistance, notwithstanding any contrary provisions of state law.
15 Subject to the foregoing, any federal funds received for the purposes of this act shall be deposited
16 in the capital development bond fund and expended as a part thereof. The director or his or her
17 designee may also utilize any private funds that may be made available for the purposes of this
18 act.

19 **SECTION 13. Effective Date.** -- Sections 1, 2, 3, 11, and 12 of this article shall take
20 effect upon passage. The remaining sections of this article shall take effect when and if the state
21 board of elections shall certify to the secretary of state that a majority of the qualified electors
22 voting on the propositions contained in section 1 hereof have indicated their approval of all or any
23 projects thereunder.