ARTICLE 5

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 2016, 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 2016 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) Leveraging Higher Education to Create 21st Century Jobs $45,500,000

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 forty-five million five hundred thousand dollars ($45,500,000) to make capital investments in higher education-related projects, to be allocated as follows:

(a) University of Rhode Island College of Engineering $25,500,000

Provides twenty-five million five hundred thousand dollars ($25,500,000) to renovate and construct an addition on Bliss Hall, one of the University of Rhode Island College of Engineering’s oldest buildings. This project is the second phase of a comprehensive program to replace outdated buildings with a major new building and to renovate and build additions to the existing complex of buildings serving the University of Rhode Island College of Engineering.

(b) Innovation Campus at a Rhode Island-Based University $20,000,000

Provides twenty million dollars ($20,000,000) to build one or more innovation campuses involving a university/business collaboration where cutting-edge research can be turned into new products, services and businesses.

(2) Port of Davisville Infrastructure at Quonset $70,000,000

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 seventy million dollars ($70,000,000) to fund infrastructure modernization and repairs to the Port of Davisville at
Quonset, including Pier 2.

(3) Green Economy $35,000,000

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 thirty-five million dollars ($35,000,000) for environmental and recreational purposes, to be allocated as follows:

(a) Historic State Park Development Program $7,000,000

Provides seven million dollars ($7,000,000) for major capital improvements to State properties, including Fort Adams State Park, Brenton Point, Colt State Park and Goddard Memorial State Park.

(b) State Land Acquisition Program $4,000,000

Provides four million dollars ($4,000,000) for the State to acquire fee simple interest or conservation easements to open space, farmland, watershed, and recreation lands with matching funds from federal and private entities. Funds would be leveraged on average 1:3 of state to other dollars.

(c) State Bikeway Development Program $10,000,000

Provides ten million dollars ($10,000,000) for the State to design and construct bikeways, including the completion of the Blackstone River Bikeway and the South County Bikeway.

(d) Brownfield Remediation and Economic Development $5,000,000

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

(e) Stormwater Pollution Prevention Program $3,000,000

Provides up to seventy-five percent (75%) matching grants for public, private and/or non-profit entities for projects that reduce stormwater pollution.

(f) Local Recreation Development Matching Grant Program $2,000,000

Provides up to eighty percent (80%) matching grants to municipalities to develop public recreational facilities in Rhode Island.

(g) Local Land Acquisition Matching Grant Program $4,000,000

Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-profit organizations to acquire fee-simple interest, development rights, or conservation easements on open space and urban parklands in Rhode Island.

(4) Housing Opportunity $40,000,000

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 forty million dollars ($40,000,000) for affordable housing.
(5) School Construction $40,000,000

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 forty million dollars ($40,000,000) to be placed in the School Building Authority Capital Fund to repair, upgrade, and modernize Rhode Island public schools, with a focus on high priority projects that demonstrate immediate need (urgent health and safety projects) and those that reflect investments in science, technology, engineering, arts/design, and math (STEAM), and career and technical education learning spaces.

(6) Veterans Home $27,000,000

Approval of this question will allow the State of Rhode Island to issue its general obligation bonds, refunding bonds and temporary notes in an amount not to exceed twenty-seven million dollars ($27,000,000) for the construction of a new Veterans Home and renovations of existing facilities.

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

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

SECTION 4. Bonds for capital development program. -- The general treasurer is hereby authorized and empowered with the approval of the governor and in accordance with the provisions of this act to issue from time to time capital development bonds in serial form in the name and on behalf of the state in amounts as may be specified from time to time by the governor in an aggregate principal amount not to exceed the total amount for all projects approved by the people and designated as "capital development loan of 2016 bonds," provided, however, that the aggregate principal amount of such capital development bonds and of any temporary notes outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not exceed the total amount for all such projects as have been approved by the people. All provisions in this act relating to "bonds" shall also be deemed to apply to "refunding bonds."
Capital development bonds issued under this act shall be in denominations of one thousand dollars ($1,000) each, or multiples thereof, and shall be payable in any coin or currency of the United States which at the time of payment shall be legal tender for public and private debts. These capital development bonds shall bear such date or dates, mature at specified time or times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in which they are issued, bear interest payable semi-annually at a specified rate or different or varying rates, be payable at designated time or times at specified place or places, be subject to expressed terms of redemption or recall, with or without premium, be in a form, with or without interest coupons attached, carry such registration, conversion, reconversion, transfer, debt retirement, acceleration and other provisions as may be fixed by the general treasurer, with the approval of the governor, upon each issue of such capital development bonds at the time of each issue. Whenever the governor shall approve the issuance of such capital development bonds, he or she shall certify approval to the secretary of state; the bonds shall be signed by the general treasurer and countersigned by the manual or facsimile signature of the secretary of state and shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be endorsed on each bond so approved with a facsimile of his or her signature.

SECTION 5. Refunding bonds for 2016 capital development program. — The general treasurer is hereby authorized and empowered, with the approval of the governor and in accordance with the provisions of this act, to issue from time to time bonds to refund the 2016 capital development program bonds in the name and on behalf of the state, in amounts as may be specified from time to time by the governor in an aggregate principal amount not to exceed the total amount approved by the people, to be designated as "capital development program loan of 2016 refunding bonds" (hereinafter "refunding bonds").

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

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

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

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

SECTION 6. Proceeds of capital development program. -- The general treasurer is directed to deposit the proceeds from the sale of capital development bonds issued under this act, exclusive of premiums and accrued interest and net the underwriters' cost, and cost of bond insurance, in one or more of the depositories in which the funds of the state may be lawfully kept in special accounts (hereinafter cumulatively referred to as "such capital development bond fund") appropriately designated for each of the projects set forth in section 1 hereof which shall have been approved by the people to be used for the purpose of paying the cost of all such projects so approved.

All monies in the capital development bond fund shall be expended for the purposes specified in the proposition provided for in section 1 hereof under the direction and supervision of the director of administration (hereinafter referred to as "director"). The director or his or her designee shall be vested with all power and authority necessary or incidental to the purposes of this act, including but not limited to, the following authority: (a) to acquire land or other real property or any interest, estate or right therein as may be necessary or advantageous to accomplish the purposes of this act; (b) to direct payment for the preparation of any reports, plans and specifications, and relocation expenses and other costs such as for furnishings, equipment designing, inspecting and engineering, required in connection with the implementation of any projects set forth in section 1 hereof; (c) to direct payment for the costs of construction, rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other improvements to land in connection with the implementation of any projects set forth in section 1 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor for repair, renovation or conversion of systems and structures as necessary for the 2016 capital development program bonds or notes hereunder from the proceeds thereof. No funds shall be expended in excess of the amount of the capital development bond fund designated for each project authorized in section 1 hereof. With respect to the bonds and temporary notes described in
section 1, the proceeds shall be used for the following purposes:

Question 1 relating to bonds in the amount of forty-five million five hundred thousand dollars ($45,500,000) to be allocated as follows:

(a) University of Rhode Island - College of Engineering       $25,500,000

Provides funds to renovate and construct an addition on Bliss Hall, which is one of the University of Rhode Island College of Engineering’s oldest buildings. This project is the second phase of a comprehensive program to replace outdated buildings with a major new building and to renovate and build additions to the existing complex of buildings serving the University of Rhode Island College of Engineering. In addition to constructing an addition to historic Bliss Hall, the project will restore the building and upgrade building systems, improve classrooms, modernize teaching laboratories, and provide advanced research facilities for the next generation of Engineering students and faculty.

(b) University-Backed Innovation Campus Program       $20,000,000

Provides funds to build one or more innovation campuses involving a university/business collaboration where cutting-edge research can be turned into new products, services, and businesses. The State will run a competitive selection process to determine the location and type of campus or campuses to build. A winning proposal must involve a Rhode Island-based university, more than match the state’s investment with private or federal funds, include at least one business partner, and spur a substantial number of new jobs at a variety of skill levels. Preference will be given to proposals that include a state university as a sponsor.

Question 2 relating to bonds in the amount of seventy million dollars ($70,000,000) to modernize the port infrastructure at the Port of Davisville in the Quonset Business Park, including Pier 2. The Port handles a majority of shipping imports into Narragansett Bay and supports one of the largest auto importers in North America. A primary goal of this program will be modernizing of Pier 2, which has exceeded the 50-year lifespan for which it was originally designed.

Question 3 relating to bonds in the amount of thirty-five million dollars ($35,000,000) for environmental and recreational purposes to be allocated as follows:

(a) Historical State Park Development Program       $7,000,000

Provides funds for major capital improvements to state properties, including Fort Adams State Park, Brenton Point, Colt State Park and Goddard Memorial State Park.

(b) State Land Acquisition Program       $4,000,000

Provides funds to acquire fee interest or conservation easements to open space, farmland, watershed, and recreation lands with matching funds from federal and private entities.

(c) State Bikeway Development Program       $10,000,000
Provides funds for the State to design and construct bikeways, including the completion of the Blackstone River Bikeway and the South County Bikeway.

(d) Brownfield Remediation and Economic Development $5,000,000

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

(e) Stormwater Pollution Prevention Program $3,000,000

Provides up to seventy-five percent (75%) matching grants for public, private and/or non-profit entities for projects that reduce stormwater pollution.

(f) Local Recreation Development Matching Grant Program $2,000,000

Provides up to eighty percent (80%) matching grants to municipalities to develop public recreational facilities in Rhode Island.

(g) Local Land Acquisition Matching Grant Program $4,000,000

Provides fifty percent (50%) matching grants to municipalities, local land trusts and non-profit organizations to acquire fee-simple interest, development rights, or conservation easements on open space and urban parklands in Rhode Island.

Question 4 relating to bonds in the amount of forty million dollars ($40,000,000) to promote housing opportunity programs through redevelopment of existing structures, new construction and/or foreclosure assistance.

Question 5 relating to bonds in the amount of forty million dollars ($40,000,000) will be used to repair, upgrade, and modernize Rhode Island public schools, with a focus on high priority projects that demonstrate immediate need (urgent health and safety projects) and those that reflect investments in science, technology, engineering, arts/design, and math (STEAM), and career and technical education learning spaces.

Question 6 relating to bonds in the amount of twenty-seven million dollars ($27,000,000) will provide funds to the Office of Veterans’ Affairs for the construction of a new Veterans Home and renovation of existing facilities in Bristol, Rhode Island. Question 4 of the November 2012 Ballot authorized the issuance of general obligation bonds of up to ninety-four million dollars ($94,000,000) for the construction of a new Veterans Home, but the authorizing language limited the amount of bonds that could be issued by the amount of any federal funding received for this project. The federal government is expected to contribute up to sixty million, five hundred thousand dollars ($60,500,000) for this project, which would authorize the state to issue only thirty-three million, five hundred thousand dollars ($33,500,000) in general obligation bonds under the 2012 ballot authorization. The overall project cost is estimated to be one hundred twenty million, five hundred thousand dollars ($120,500,000). This new bond authorization
would allow the state to issue an additional twenty-seven million dollars ($27,000,000) in general obligation bonds, which when combined with the thirty-three million, five hundred thousand dollars ($33,500,000) from the 2012 ballot authorization will provide a total of sixty-one million dollars ($61,000,000) for the completion of this project. The total borrowing for the project from this proposal plus the maximum amount allowed to be borrowed under the 2012 ballot authorization will be thirty-three million five hundred thousand dollars ($33,500,000) less than the ninety-four million dollars ($94,000,000) authorized on the 2012 Ballot.

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

Any premiums and accrued interest, net of the cost of bond insurance and underwriter’s discount, which may be received on the sale of the capital development bonds or notes shall become part of the Rhode Island Capital Plan Fund of the state, unless directed by federal law or regulation to be used for some other purpose.

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

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

SECTION 8. Bonds and notes to be tax exempt and general obligations of the state. - All bonds and notes issued under the authority of this act shall be exempt from taxation in the state and shall be general obligations of the state, and the full faith and credit of the state is hereby pledged for the due payment of the principal and interest on each of such bonds and notes as the same shall become due.

SECTION 9. Investment of moneys in fund. -- All moneys in the capital development fund not immediately required for payment pursuant to the provisions of this act may be invested by the investment commission, as established by chapter 35-10, pursuant to the provisions of such chapter; provided, however, that the securities in which the capital development fund is invested
shall remain a part of the capital development fund until exchanged for other securities; and
provided further, that the income from investments of the capital development fund shall become
a part of the general fund of the state and shall be applied to the payment of debt service charges
of the state, unless directed by federal law or regulation to be used for some other purpose, or to
the extent necessary, to rebate to the United States treasury any income from investments
(including gains from the disposition of investments) of proceeds of bonds or notes to the extent
deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
federal income taxation.

SECTION 10. Appropriation. -- To the extent the debt service on these bonds is not
otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and
notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise
appropriated.

SECTION 11. Advances from general fund. -- The general treasurer is authorized from
time to time with the approval of the director and the governor, in anticipation of the issue of
notes or bonds under the authority of this act, to advance to the capital development bond fund for
the purposes specified in section 6 hereof, any funds of the state not specifically held for any
particular purpose; provided, however, that all advances made to the capital development bond
fund shall be returned to the general fund from the capital development bond fund forthwith upon
the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds
to the extent of such advances.

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

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