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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 This project is the second phase of a comprehensive program to replace outdated buildings with a major new building and to renovate and build additions to the existing complex of buildings serving the University of Rhode Island College of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

1 Quonset, including Pier 2.

2 (3) Green Economy \$35,000,000

3 Approval of this question will allow the State of Rhode Island to issue general obligation
4 bonds, refunding bonds, and temporary notes in an amount not to exceed thirty-five million
5 dollars (\$35,000,000) for environmental and recreational purposes, to be allocated as follows:

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

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

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

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

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

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

18 (d) 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 (e) Stormwater Pollution Prevention Program \$3,000,000

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

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

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

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

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

31 (4) Housing Opportunity \$40,000,000

32 Approval of this question will allow the State of Rhode Island to issue general obligation
33 bonds, refunding bonds, and temporary notes in an amount not to exceed forty million dollars
34 (\$40,000,000) for affordable housing.

1 (5) School Construction \$40,000,000

2 Approval of this question will allow the State of Rhode Island to issue general obligation
3 bonds, refunding bonds, and temporary notes in an amount not to exceed forty million dollars
4 (\$40,000,000) to be placed in the School Building Authority Capital Fund to repair, upgrade, and
5 modernize Rhode Island public schools, with a focus on high priority projects that demonstrate
6 immediate need (urgent health and safety projects) and those that reflect investments in science,
7 technology, engineering, arts/design, and math (STEAM), and career and technical education
8 learning spaces.

9 (6) Veterans Home \$27,000,000

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

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

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

25 SECTION 4. **Bonds for capital development program.** -- The general treasurer is
26 hereby authorized and empowered with the approval of the governor and in accordance with the
27 provisions of this act to issue from time to time capital development bonds in serial form in the
28 name and on behalf of the state in amounts as may be specified from time to time by the governor
29 in an aggregate principal amount not to exceed the total amount for all projects approved by the
30 people and designated as "capital development loan of 2016 bonds," provided, however, that the
31 aggregate principal amount of such capital development bonds and of any temporary notes
32 outstanding at any one time issued in anticipation thereof pursuant to section 7 hereof shall not
33 exceed the total amount for all such projects as have been approved by the people. All provisions
34 in this act relating to "bonds" shall also be deemed to apply to "refunding bonds."

1 Capital development bonds issued under this act shall be in denominations of one
2 thousand dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency
3 of the United States which at the time of payment shall be legal tender for public and private
4 debts. These capital development bonds shall bear such date or dates, mature at specified time or
5 times, but not beyond the end of the twentieth state fiscal year following the state fiscal year in
6 which they are issued, bear interest payable semi-annually at a specified rate or different or
7 varying rates, be payable at designated time or times at specified place or places, be subject to
8 expressed terms of redemption or recall, with or without premium, be in a form, with or without
9 interest coupons attached, carry such registration, conversion, reconversion, transfer, debt
10 retirement, acceleration and other provisions as may be fixed by the general treasurer, with the
11 approval of the governor, upon each issue of such capital development bonds at the time of each
12 issue. Whenever the governor shall approve the issuance of such capital development bonds, he
13 or she shall certify approval to the secretary of state; the bonds shall be signed by the general
14 treasurer and countersigned by the manual or facsimile signature of the secretary of state and
15 shall bear the seal of the state or a facsimile thereof. The approval of the governor shall be
16 endorsed on each bond so approved with a facsimile of his or her signature.

17 SECTION 5. **Refunding bonds for 2016 capital development program.** -- The general
18 treasurer is hereby authorized and empowered, with the approval of the governor and in
19 accordance with the provisions of this act, to issue from time to time bonds to refund the 2016
20 capital development program bonds in the name and on behalf of the state, in amounts as may be
21 specified from time to time by the governor in an aggregate principal amount not to exceed the
22 total amount approved by the people, to be designated as "capital development program loan of
23 2016 refunding bonds" (hereinafter "refunding bonds").

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

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

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

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

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

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

1 section 1, the proceeds shall be used for the following purposes:

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

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

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

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

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

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

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

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

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

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

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

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

1 Provides funds for the State to design and construct bikeways, including the completion
2 of the Blackstone River Bikeway and the South County Bikeway.

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

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

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

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

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

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

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

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

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

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

24 Question 6 relating to bonds in the amount of twenty-seven million dollars (\$27,000,000)
25 will provide funds to the Office of Veterans' Affairs for the construction of a new Veterans Home
26 and renovation of existing facilities in Bristol, Rhode Island. Question 4 of the November 2012
27 Ballot authorized the issuance of general obligation bonds of up to ninety-four million dollars
28 (\$94,000,000) for the construction of a new Veterans Home, but the authorizing language limited
29 the amount of bonds that could be issued by the amount of any federal funding received for this
30 project. The federal government is expected to contribute up to sixty million, five hundred
31 thousand dollars (\$60,500,000) for this project, which would authorize the state to issue only
32 thirty-three million, five hundred thousand dollars (\$33,500,000) in general obligation bonds
33 under the 2012 ballot authorization. The overall project cost is estimated to be one hundred
34 twenty million, five hundred thousand dollars (\$120,500,000). This new bond authorization

1 would allow the state to issue an additional twenty-seven million dollars (\$27,000,000) in general
2 obligation bonds, which when combined with the thirty-three million, five hundred thousand
3 dollars (\$33,500,000) from the 2012 ballot authorization will provide a total of sixty-one million
4 dollars (\$61,000,000) for the completion of this project. The total borrowing for the project from
5 this proposal plus the maximum amount allowed to be borrowed under the 2012 ballot
6 authorization will be thirty-three million five hundred thousand dollars (\$33,500,000) less than
7 the ninety-four million dollars (\$94,000,000) authorized on the 2012 Ballot.

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

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

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

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

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

31 **SECTION 9. Investment of moneys in fund.** -- All moneys in the capital development
32 fund not immediately required for payment pursuant to the provisions of this act may be invested
33 by the investment commission, as established by chapter 35-10, pursuant to the provisions of such
34 chapter; provided, however, that the securities in which the capital development fund is invested

1 shall remain a part of the capital development fund until exchanged for other securities; and
2 provided further, that the income from investments of the capital development fund shall become
3 a part of the general fund of the state and shall be applied to the payment of debt service charges
4 of the state, unless directed by federal law or regulation to be used for some other purpose, or to
5 the extent necessary, to rebate to the United States treasury any income from investments
6 (including gains from the disposition of investments) of proceeds of bonds or notes to the extent
7 deemed necessary to exempt (in whole or in part) the interest paid on such bonds or notes from
8 federal income taxation.

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

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

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

34 SECTION 13. **Effective Date.** -- Sections 1, 2, 3, 11, 12 and this section 13 of this article

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