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**ARTICLE 6**

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTION

SECTION 1. This article consists of a joint resolution that is submitted pursuant to Rhode Island General Law § 35-18-1, et seq.

SECTION 2. *Quonset Harbor, Pier, and Port Improvements.*

WHEREAS, the Rhode Island commerce corporation is a public instrumentality of the State of Rhode Island (hereafter the “State”), created by the general assembly pursuant to § 42-64-1 et seq. (as enacted, reenacted and amended, hereafter the “Act”); and

WHEREAS, the Act declares, in part, that new industrial, manufacturing, recreational, and commercial facilities are required to attract and house new industries and thereby reduce the hazards of unemployment; and

WHEREAS, unaided efforts of private enterprises have not met and cannot meet the needs of providing those facilities due to problems encountered in assembling suitable building sites, lack of adequate public service, unavailability of private capital for development, and the inability of private enterprise alone to plan, finance, and coordinate industrial, recreational, and commercial development; and

WHEREAS, the Act further declares it to be the public policy of the State to encourage the expansion and development of the State’s harbors and ports and to foster and improve the handling of waterborne commerce from and to any port of this State and other states and foreign countries; and

WHEREAS, in furtherance of these goals, it is the policy of the State to retain existing industries and to induce, encourage, and attract new industries through the acquisition, construction, reconstruction, and rehabilitation of industrial, manufacturing, recreational, and commercial facilities, as well as transportation, harbors and ports, residential, environmental, utility, public service, institutional, and civic and community facilities, and to develop sites for such facilities; and

WHEREAS, the Act has empowered the Rhode Island commerce corporation to establish subsidiary corporations to exercise its powers and functions, or any of them; and

WHEREAS, the general assembly, pursuant to § 42-64.10-1 et seq. (as enacted, reenacted and amended, hereafter the “QDC Act”) created the Quonset development corporation as a

1 subsidiary of the Rhode Island commerce corporation; and

2 WHEREAS, the QDC Act provided that the Quonset development corporation shall have  
3 the power to purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and  
4 otherwise deal in and with, real or personal property, or any interest therein, wherever situated,  
5 including those certain transportation, harbor, pier, and waterfront facilities located at the  
6 Quonset business park; and

7 WHEREAS, the QDC Act also provides that the Quonset development corporation shall  
8 have the power to sell, mortgage, lease, exchange, transfer, or otherwise dispose of or encumber  
9 any project (or in the case of a sale, to accept a purchase money mortgage in connection  
10 therewith), or to grant options for any such purposes with respect to any real or personal property  
11 or interest therein, as the lawful agent and attorney-in-fact of the Rhode Island commerce  
12 corporation with respect to all property of the Rhode Island commerce corporation at the Quonset  
13 business park, all of the foregoing for such consideration as the Quonset development corporation  
14 shall determine; and

15 WHEREAS, any lease by the Quonset development corporation to another party may be  
16 for such part of the Quonset business park, real or personal, for such period, upon such terms or  
17 conditions, with or without an option on the part of the lessee to purchase any or all of the leased  
18 property for such consideration, at or after the retirement of all indebtedness incurred by the  
19 Quonset development corporation on account thereof, as the Quonset development corporation  
20 shall determine; and

21 WHEREAS, the Act authorizes the Rhode Island commerce corporation to borrow  
22 money and issue bonds for any of its corporate purposes; and

23 WHEREAS, pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island General Laws, the  
24 Rhode Island commerce corporation has requested the approval of the general assembly for the  
25 issuance of harbor, pier, and port revenue bonds (hereafter "bonds") for the purpose of providing  
26 funds to the Quonset development corporation for financing capital projects for harbor, pier, port,  
27 and all other costs related to the improvements necessary at and in the immediate vicinity of the  
28 Davisville piers at the Quonset business park, including without limitation, improvements to  
29 modernize port infrastructure at the Port of Davisville (hereafter the "2016 Davisville Piers  
30 Project"), including funding, capitalized interest, costs of issuing the bonds, and related costs, and  
31 the establishment of reserves for the project and the bonds, including a debt service reserve fund;  
32 and

33 WHEREAS, the financing of the 2016 Davisville Piers Project and repayment of the  
34 bonds will be accomplished through one or more loan agreements having the Quonset

1 development corporation as borrower, such agreement or agreements to require that the Quonset  
2 development corporation to make loan payments in an amount equal to the debt service on the  
3 bonds; now, therefore, be it:

4       RESOLVED, the general assembly hereby approves the Rhode Island commerce  
5 corporation's issuance of the bonds in a private placement or through a public offering, in one or  
6 more series. The bonds will be special obligation bonds of the Rhode Island commerce  
7 corporation payable exclusively from loan repayments under a loan agreement with the Quonset  
8 development corporation and from bond proceeds, funds, accounts, and properties and the  
9 proceeds thereof pledged therefor, and thus the Rhode Island commerce corporation's maximum  
10 liability will be limited to loan repayments received under the loan agreement and the aggregate  
11 amount of such other funds, accounts, properties, and proceeds; and be it further

12       RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be  
13 not more than twenty million dollars (\$20,000,000); and be it further

14       RESOLVED, that the general assembly hereby approves the Quonset development  
15 corporation's entering into the loan agreements described above. Payments under the loan  
16 agreements shall be derived exclusively from project revenues and such other proceeds, funds,  
17 accounts, projects, and the proceeds thereof as the Quonset development corporation may pledge  
18 therefor; and be it further

19       RESOLVED, that none of the bonds or the loan agreements shall constitute indebtedness  
20 of the State or a debt for which the full faith and credit of the State is pledged or a moral  
21 obligation thereof; and be it further

22       RESOLVED, that this resolution shall apply to bonds issued within five (5) years of the  
23 date of passage of this resolution; and be it further

24       RESOLVED, that this joint resolution shall take effect immediately upon its passage.

25       SECTION 3. This article shall take effect upon passage.