

1 **ARTICLE 5**

2 RELATING TO CAPITAL DEVELOPMENT PROGRAM

3 SECTION 1. Proposition to be submitted to the people. -- At the general election to be
4 held on the Tuesday next after the first Monday in November 2018, there shall be submitted to the
5 people ("People") of the State of Rhode Island ("State"), for their approval or rejection, the
6 following proposition:

7 "Shall the action of the general assembly, by an act passed at the January 2018 session,
8 authorizing the issuance of bonds, refunding bonds, and/or temporary notes of the State of Rhode
9 Island for the capital projects and in the amount with respect to each such project listed below be
10 approved, and the issuance of bonds, refunding bonds, and/or temporary notes authorized in
11 accordance with the provisions of said act?"

12 **Project**

13 (1) Rhode Island School Buildings \$250,000,000

14 Approval of this question will allow the State of Rhode Island to issue general obligation
15 bonds, refunding bonds, and/or temporary notes in an amount not to exceed two-hundred-fifty
16 million dollars (\$250,000,000) over a five (5) year period, and not to exceed one-hundred million
17 dollars (\$100,000,000) in any one (1) year, to provide direct funding for foundational level school
18 housing aid and the school building authority capital fund.

19 (2) Higher Education Facilities \$70,000,000

20 Approval of this question will allow the State of Rhode Island to issue general obligation
21 bonds, refunding bonds, and/or temporary notes in an amount not to exceed seventy million dollars
22 (\$70,000,000) to higher education facilities, to be allocated as follows:

23 (a) University of Rhode Island Narragansett Bay Campus \$45,000,000

24 Provides forty-five million dollars (\$45,000,000) to fund repairs and construct new
25 facilities on the University of Rhode Island's Narragansett Bay campus in support of the
26 educational and research needs for the marine disciplines.

27 (b) Rhode Island College School of Education and Human Development \$25,000,000

28 Provides twenty-five million dollars (\$25,000,000) to fund the renovation of Horace Mann
29 Hall on the campus of Rhode Island College, which houses the School of Education and Human
30 Development.

1 (3) Green Economy and Clean Water \$47,300,000

2 Approval of this question will allow the State of Rhode Island to issue general obligation
3 bonds, refunding bonds, and/or temporary notes in an amount not to exceed forty-seven million
4 three hundred thousand dollars (\$47,300,000) for environmental and recreational purposes, to be
5 allocated as follows:

6 (a) Coastal Resiliency and Public Access Projects \$5,000,000

7 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
8 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable
9 coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage
10 significant matching funds to support local programs to improve community resiliency and public
11 safety in the face of increased flooding, major storm events, and environmental degradation.

12 (b) Capital for Clean Water and Drinking Water \$7,900,000

13 Provides seven million nine hundred thousand dollars (\$7,900,000) for clean water and
14 drinking water infrastructure improvements. Projects range from wastewater treatment upgrades
15 and storm water quality improvements to combine sewer overflow abatement projects.

16 (c) Wastewater Treatment Facility Resilience Improvements \$5,000,000

17 Provides five million dollars (\$5,000,000) for up to fifty percent (50%) matching grants
18 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased
19 flooding, major storm events and environmental degradation.

20 (d) Dam Safety \$4,400,000

21 Provides four million four hundred thousand dollars (\$4,400,000) for repairing and/or
22 removing state-owned dams.

23 (e) Dredging - Downtown Providence Rivers \$7,000,000

24 Provides seven million dollars (\$7,000,000) for the state to obtain additional dredging
25 analysis and the dredging of the Downtown Providence Rivers from: The Woonasquatucket River
26 from I-95 north of Providence Place Mall to its confluence with the Providence River; the
27 Moshassuck River from Smith Street to its confluence with the Providence River; and the
28 Providence River from Steeple Street to Point Street; and dredging a sediment basin upstream of
29 the Providence Place Mall and I-95 for approximately six hundred feet (600').

30 (f) State Bikeway Development Program \$5,000,000

31 Provides five million dollars (\$5,000,000) for the State to design, repair, and construct
32 bikeways, including the East Bay bike path.

33 (g) Brownfield Remediation and Economic Development \$4,000,000

34 Provides four million dollars (\$4,000,000) for up to eighty percent (80%) matching grants

1 to public, private, and/or non-profit entities for brownfield remediation projects.

2 (h) Local Recreation Projects \$5,000,000

3 Provides five million dollars (\$5,000,000) for up to eighty percent (80%) matching grants
4 for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
5 growing needs for active recreational facilities.

6 (i) Access to Farmland \$2,000,000

7 Provides two million dollars (\$2,000,000) to protect the State's working farms through the
8 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands
9 Preservation Commission

10 (j) Local Open Space \$2,000,000

11 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to
12 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,
13 development rights, or conservation easements on open space and urban parklands.

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 projects
16 provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the
17 description of each such project to enable voters to approve or reject each such proposition. The
18 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 the
20 proposition in Section 1 hereof shall vote to approve any project stated therein, said project shall
21 be deemed to be approved by the People. The authority to issue bonds, refunding bonds and/or
22 temporary notes of the State shall be limited to the aggregate amount for all such projects as set
23 forth in the proposition, which has been approved by the People.

24 SECTION 4. Bonds for capital development program. -- The General Treasurer is
25 hereby authorized and empowered, with the approval of the Governor, and in accordance with the
26 provisions of this Act to issue capital development bonds in serial form, in the name of and on
27 behalf of the State of Rhode Island, in amounts as may be specified by the Governor in an aggregate
28 principal amount not to exceed the total amount for all projects approved by the People and
29 designated as "capital development loan of 2018 bonds." Provided, however, that the aggregate
30 principal amount of such capital development bonds and of any temporary notes outstanding at any
31 one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount
32 for all such projects approved by the People. All provisions in this Act relating to "bonds" shall
33 also be deemed to apply to "refunding bonds."

34 Capital development bonds issued under this Act shall be in denominations of one thousand

1 dollars (\$1,000) each, or multiples thereof, and shall be payable in any coin or currency of the
2 United States which at the time of payment shall be legal tender for public and private debts. These
3 capital development bonds shall bear such date or dates, mature at specified time or times, but not
4 mature beyond the end of the twentieth (20th) State fiscal year following the fiscal year in which
5 they are issued; bear interest payable semi-annually at a specified rate or different or varying rates:
6 be payable at designated time or times at specified place or places; be subject to express terms of
7 redemption or recall, with or without premium; be in a form, with or without interest coupons
8 attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration
9 and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
10 upon each issue of such capital development bonds at the time of each issue. Whenever the
11 Governor shall approve the issuance of such capital development bonds, the Governor's approval
12 shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and
13 countersigned by Secretary of State and shall bear the seal of the State. The signature approval of
14 the Governor shall be endorsed on each bond.

15 SECTION 5. **Refunding bonds for 2018 capital development program.** -- The General
16 Treasurer is hereby authorized and empowered, with the approval of the Governor, and in
17 accordance with the provisions of this Act, to issue bonds to refund the 2018 capital development
18 program bonds, in the name of and on behalf of the state, in amounts as may be specified by the
19 Governor in an aggregate principal amount not to exceed the total amount approved by the People,
20 to be designated as "capital development program loan of 2018 refunding bonds" (hereinafter
21 "Refunding Bonds").

22 The General Treasurer with the approval of the Governor shall fix the terms and form of
23 any Refunding Bonds issued under this Act in the same manner as the capital development bonds
24 issued under this Act, except that the Refunding Bonds may not mature more than twenty (20) years
25 from the date of original issue of the capital development bonds being refunded.

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

33 If the General Treasurer shall deposit with the paying agent for the capital development
34 bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when

1 invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
2 principal, interest, and premium, if any, on the capital development bonds until these bonds are
3 called for prepayment, then such capital development bonds shall not be considered debts of the
4 State of Rhode Island for any purpose starting from the date of deposit of such moneys with the
5 paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

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

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

16 All monies in the capital development bond fund shall be expended for the purposes
17 specified in the proposition provided for in Section 1 hereof under the direction and supervision of
18 the Director of Administration (hereinafter referred to as "Director"). The Director or his or her
19 designee shall be vested with all power and authority necessary or incidental to the purposes of this
20 Act, including but not limited to, the following authority: (a) to acquire land or other real property
21 or any interest, estate or right therein as may be necessary or advantageous to accomplish the
22 purposes of this Act; (b) to direct payment for the preparation of any reports, plans and
23 specifications, and relocation expenses and other costs such as for furnishings, equipment
24 designing, inspecting and engineering, required in connection with the implementation of any
25 projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,
26 rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
27 improvements to land in connection with the implementation of any projects set forth in Section 1
28 hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
29 for repair, renovation or conversion of systems and structures as necessary for the 2018 capital
30 development program bonds or notes hereunder from the proceeds thereof. No funds shall be
31 expended in excess of the amount of the capital development bond fund designated for each project
32 authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
33 1, the proceeds shall be used for the following purposes:

34 Question 1, relating to bonds in the amount of two hundred-fifty million dollars

1 (\$250,000,000) to provide funding for the construction, renovation, and rehabilitation of the state's
2 public schools pursuant to § 45-38.2-4 (e).

3 Question 2, relating to bonds in the amount of seventy million dollars (\$70,000,000) to
4 provide funding for higher education facilities to be allocated as follows:

5 (a) University of Rhode Island Narragansett Bay Campus \$45,000,000

6 Provides forty-five million dollars (\$45,000,000) to renovate, build additions, and
7 construct new facilities, including a new Ocean Innovation Center building, to support the ongoing
8 and evolving educational and research needs in marine biology, oceanography, oceanic
9 instrumentation and other marine disciplines at the Narragansett Bay Campus. Constructing new
10 facilities will allow the University to accommodate a new one hundred twenty-five million dollars
11 (\$125,000,000) National Science Foundation federal research vessel and other University-
12 supported research vessels at the University's Narragansett Bay campus facilities.

13 (b) Rhode Island College School of Education and Human Development \$25,000,000

14 Provides twenty-five million dollars (\$25,000,000) to renovate Horace Mann Hall on the
15 campus of Rhode Island College in Providence. Horace Mann Hall houses the Feinstein School of
16 Education and Human Development, the historical leader in producing Rhode Island's public
17 school teachers. The facility has exceeded its useful life with no major renovations since it was
18 constructed in 1969. The renovation will allow the Feinstein School of Education and Human
19 Development to ensure its curriculum and programming are among the best in the nation and create
20 a top learning environment for students.

21 Question 3, relating to bonds in the amount of exceed forty-seven million three hundred
22 thousand dollars (\$47,300,000) for environmental and recreational purposes, to be allocated as
23 follows:

24 (a) Coastal Resiliency and Public Access Projects \$5,000,000

25 Provides five million dollars (\$5,000,000) for up to seventy-five percent (75%) matching
26 grants to public and non-profit entities for restoring and/or improving resiliency of vulnerable
27 coastal habitats, and restoring rivers and stream floodplains.

28 (b) Capital for Clean Water and Drinking Water \$7,900,000

29 Provides seven million nine hundred thousand dollars (\$7,900,000) for clean water and
30 drinking water infrastructure improvements such as from wastewater treatment upgrades and storm
31 water quality improvements to combined sewer overflow abatement projects.

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34 for wastewater treatment facility resiliency improvements for facilities vulnerable to increased

1 flooding, major storm events, and environmental degradation.

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9 Moshassuck River from Smith Street to its confluence with the Providence River; and the

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11 the Providence Place Mall and I-95 for approximately six hundred feet (600').

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21 growing needs for active recreational facilities.

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24 State Farmland Access Program and the purchase of Development Rights by the Agricultural Lands

25 Preservation Commission

26 (j) Local Open Space \$2,000,000

27 Provides two million dollars (\$2,000,000) for up to fifty percent (50%) matching grants to

28 municipalities, local land trusts and nonprofit organizations to acquire fee-simple interest,

29 development rights, or conservation easements on open space and urban parklands.

30 SECTION 7. Sale of bonds and notes. -- Any bonds or notes issued under the authority

31 of this Act shall be sold at not less than the principal amount thereof, in such mode and on such

32 terms and conditions as the General Treasurer, with the approval of the Governor, shall deem to be

33 in the best interests of the State.

34 Any premiums and accrued interest, net of the cost of bond insurance and underwriter's

1 discount, which may be received on the sale of the capital development bonds or notes shall become
2 part of the Municipal Road and Bridge Revolving Fund of the State, unless directed by federal law
3 or regulation to be used for some other purpose.

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

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

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

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

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

1 SECTION 11. Advances from general fund. -- The General Treasurer is authorized, with
2 the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under
3 the authority of this Act, to advance to the capital development bond fund for the purposes specified
4 in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided,
5 however, that all advances made to the capital development bond fund shall be returned to the
6 general fund from the capital development bond fund forthwith upon the receipt by the capital
7 development fund of proceeds resulting from the issue of notes or bonds to the extent of such
8 advances.

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

21 SECTION 13. Effective Date. -- Sections 1, 2, 3, 11 and 12 of this article shall take effect
22 upon passage. The remaining sections of this article shall take effect when and if the State Board
23 of Elections shall certify to the Secretary of State that a majority of the qualified electors voting on
24 the proposition contained in Section 1 hereof have indicated their approval of all or any projects
25 thereunder.

26