

ARTICLE 6

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article shall serve as joint resolution required pursuant to Rhode Island General Law § 35-18-1, *et seq.*

SECTION 2. *University of Rhode Island – Memorial Union – Auxiliary Enterprise*

WHEREAS, The Council on Postsecondary Education and the University have a long-standing commitment to the overall development of their students; and

WHEREAS, The University believes that the Memorial Union celebrates life at URI and acts as the nexus for campus community, student engagement, and leadership. It is an intersection connecting the academic core of campus and the campus’s socially active residential community. The student union at the University is an integral part of the educational ecosystem that shapes the student experience; and

WHEREAS, The Council on Postsecondary Education and the University of Rhode Island are proposing a project which involves the renovation and expansion of the Memorial Union to meet the ongoing and growing needs of their students; and

WHEREAS, The University engaged a qualified architectural firm, which has completed an advanced planning study for this renovation; and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, The design and construction associated with this work of an Auxiliary Enterprise building will be financed through the Rhode Island Health and Educational Building Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

WHEREAS, The total project costs associated with completion of the project through the proposed financing method is fifty-one million five hundred thousand dollars (\$51,500,000), including cost of issuance. Debt service payments would be supported by revenues derived from student fees and retail lease payments associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying said facility. Total debt service on the bonds is not expected to exceed one hundred twelve million three hundred thousand dollars (\$112,300,000) in the

1 aggregate based on an average interest rate of six (6%) percent; now, therefore be it

2 RESOLVED, That this General Assembly hereby approves financing in an amount not to
3 exceed fifty-one million five hundred thousand dollars (\$51,500,000) for the Memorial Union
4 project for the auxiliary enterprise building on the University of Rhode Island campus; and be it
5 further

6 RESOLVED, That this Joint Resolution shall take effect upon passage.

7 SECTION 3. *University of Rhode Island – Fraternity Circle Master Plan Implementation*

8 WHEREAS, The Rhode Island Council on Postsecondary Education and the University of
9 Rhode Island are proposing a project which involves improvements to the sector of the Kingston
10 Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle, on the Kingston
11 Campus; and

12 WHEREAS, The University of Rhode Island is underway with a utility and infrastructure
13 project to replace, improve, and reorganize aged, incrementally developed utility and paved
14 infrastructure in Fraternity Circle, referred to in the University’s Capital Improvement Plan as
15 “Fraternity Circle Improvements” project, including improvements to water, wastewater, electrical,
16 telecommunications, natural gas connections, and storm water management systems, as well as
17 roadways, walkways, and parking lots as a first phase of improvements reflected in a “master plan”
18 for this unique neighborhood of on-campus residences serving organizations of students; and

19 WHEREAS, The second phase of the overall improvements to Fraternity Circle, referred
20 to on the University’s Capital Improvement Plan as the “Fraternity Circle Master Plan
21 Implementation” project is needed to complete this district of campus; and

22 WHEREAS, The design and execution of this project will improve student life and the
23 campus's environmental impact; and

24 WHEREAS, These timely project commitments serve the objectives of both the University
25 and the local community; and

26 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the
27 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
28 and other public agencies of certain obligations including financing guarantees or other agreements;
29 and

30 WHEREAS, The design and construction will be financed through Rhode Island Health
31 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
32 and

33 WHEREAS, The project costs associated with completion of the project and proposed
34 financing method is two million one hundred thousand dollars (\$2,100,000), including cost of

1 issuance. Debt Service payments would be supported by the University's unrestricted general
2 fund. Total debt service on the bonds is not expected to exceed three million seven hundred
3 thousand dollars (\$3,700,000) in the aggregate based on an average interest rate of six percent
4 (6%); now, therefore be it

5 RESOLVED, That this General Assembly hereby approves financing in an amount not to
6 exceed two million one hundred thousand dollars (\$2,100,000) for the Fraternity Circle Master Plan
7 Implementation project at the University of Rhode Island; and be it further

8 RESOLVED, That, this Joint Resolution shall take effect upon passage.

9 SECTION 4. *University of Rhode Island – Combined Health & Counseling Center –*
10 *Auxiliary Enterprise*

11 WHEREAS, The Council on Postsecondary Education and the University have a long-
12 standing commitment to the health and wellness of their students; and

13 WHEREAS, The University has a desire to create a one-stop center to address the physical,
14 emotional, and mental health of its students; and

15 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
16 are proposing a project which involves the construction of a new Combined Health & Counseling
17 Center to meet the ongoing and growing health needs of their students; and

18 WHEREAS, The University engaged a qualified architectural firm, which has completed
19 an advanced planning study for this new building; and

20 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the
21 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
22 and other public agencies of certain obligations including financing guarantees or other agreements;
23 and

24 WHEREAS, The design and construction associated with this work of an Auxiliary
25 Enterprise building will be financed through the Rhode Island Health and Educational Building
26 Corporation (RIHEBC) revenue bonds, with an expected term of thirty (30) years; and

27 WHEREAS, The total project costs associated with completion of the project through the
28 proposed financing method is twenty-six million nine hundred thousand dollars (\$26,900,000),
29 including cost of issuance. Debt service payments would be supported by revenues derived from
30 student fees associated with the respective Auxiliary Enterprises of the University of Rhode Island
31 occupying said facility. Total debt service on the bonds is not expected to exceed fifty-eight million
32 seven hundred thousand dollars (\$58,700,000) in the aggregate based on an average interest rate of
33 six (6%) percent; now, therefore be it

34 RESOLVED, That this General Assembly hereby approves financing in an amount not to

1 exceed twenty-six million nine hundred thousand dollars (\$26,900,000) for the Combined
2 Health & Counseling Center project for the auxiliary enterprise building on the University of Rhode
3 Island campus; and be it further

4 RESOLVED, That, this Joint Resolution shall take effect upon passage.

5 SECTION 5. *Rhode Island Turnpike and Bridge Authority Project*

6 WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "authority") is a public
7 corporation of the state of Rhode Island (the "state"), constituting a public instrumentality and
8 agency exercising public and essential governmental functions of the state, created by the general
9 assembly pursuant to chapter 12 of title 24 (as enacted, reenacted and amended, the "act"); and

10 WHEREAS, The state recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge,
11 the Mount Hope Bridge, the Sakonnet River Bridge and other facilities of or within the control of
12 the authority are an essential part of the state's transportation system and facilitates the tourism
13 industry; and it is the policy of the state that the public welfare and the further economic
14 development and the prosperity of the state requires the maintenance of such facilities and the
15 financing thereof; and

16 WHEREAS, The act provides that the authority shall have the power to charge and collect
17 tolls for the use of its facilities; and

18 WHEREAS, Pursuant to § 31-36-20, three and one-half cents (\$0.035) per gallon of the
19 motor fuel tax is transferred to the authority to be used for maintenance, operations, capital
20 expenditures and debt service on any of its projects as defined in chapter 12 of title 24; and

21 WHEREAS, The act also provides that the authority shall have the power to acquire, hold
22 and dispose of real and personal property in the exercise of its powers and performance of its duties;
23 and

24 WHEREAS, The act authorizes the authority to make and enter into all contracts and
25 agreements necessary or incidental to the performance of its duties and the execution of its powers
26 under the act, to issue revenue bonds of the authority for any of its purposes and to refund its bonds,
27 borrow money in anticipation of the issuance of its bonds, and secure its bonds and notes by the
28 pledge of its tolls and other revenues; and

29 WHEREAS, In furtherance of its corporate purposes, the authority is authorized to issue
30 from time to time its negotiable revenue bonds and notes in one or more series in such principal
31 amounts for the purpose of paying all or a part of the costs of any one or more projects authorized
32 by the act, making provision for working capital and a reserve for interest; and

33 WHEREAS, Pursuant to §§ 35-18-3 and 35-18-4 of the Rhode Island Public Corporation
34 Debt Management Act (as enacted, reenacted and amended, the "Debt Management Act"), the

1 authority hereby requests the approval of the general assembly of the authority's issuance of not
2 more than fifty million dollars (\$50,000,000) Rhode Island Turnpike and Bridge Authority
3 Revenue Bonds with a term not to exceed thirty (30) years and six (6) months (together with any
4 notes issued in anticipation of the issuance of bonds, the "bonds") to be secured by toll, transfers
5 of motor fuel taxes and/or other revenues, in any combination, for the purpose of providing funds
6 to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading and improvement
7 of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River Bridge, Mount Hope
8 Bridge, and other projects authorized under the act, replacement of the components thereof,
9 working capital, capitalized interest, a debt service reserve and the costs of issuing and insuring the
10 bonds (the "project"); and

11 WHEREAS, The project constitutes essential public facilities directly benefiting the state;
12 and

13 WHEREAS, The authority is authorized pursuant to § 24-12-28 of the act to secure its
14 bonds by a pledge of the tolls and other revenues received by the authority; and

15 WHEREAS, The state shall directly benefit economically from the project by the repair,
16 maintenance and improvement of the state transportation infrastructure; and

17 WHEREAS, In the event that not all of the bond proceeds are used to carry out the specified
18 project, the authority will use any remaining funds to pay debt service on the bonds; now, therefore,
19 be it

20 RESOLVED AND ENACTED, That this general assembly finds that the project is an
21 essential public facility and is of a type and nature consistent with the purposes and within the
22 powers of the authority to undertake, and hereby approves the authority's issuance of not more than
23 fifty million dollars (\$50,000,000) in bonds, which amount is in addition to all prior authorizations;
24 and be further

25 RESOLVED, That the bonds will be special obligations of the authority payable from
26 funds received by the authority from tolls, transfers of motor fuel taxes and other revenues received
27 by the authority, in any combination or priority as may be designated in the proceedings of the
28 authority authorizing the issuance of such debt. The total debt service on the bonds is estimated to
29 average approximately three million five hundred ninety-four thousand dollars (\$3,594,000) per
30 year or approximately one hundred nine million three hundred sixteen thousand dollars
31 (\$109,316,000) in the aggregate, prior to the receipt of any federal subsidy and/or assistance, at an
32 average interest rate of approximately six percent (6%) and approximately a thirty (30) year
33 maturity; and be it further

34 RESOLVED, That the authority may issue interest bearing or discounted notes from time

1 to time in anticipation of the authorization or issue of bonds or in anticipation of the receipt of
2 federal aid for the purposes of this joint resolution, the amount of original notes issued in
3 anticipation of bonds may not exceed the amount of bonds which may be issued under this joint
4 resolution and the amount of original notes issued in anticipation of federal aid may not exceed the
5 amount of available federal aid as estimated by the authority, any such notes issued hereunder shall
6 be payable within five (5) years from their respective dates, but the principal of and interest on
7 notes issued for a shorter period may be renewed or paid from time to time by the issue of other
8 notes hereunder, provided the period from the date of an original note to the maturity of any note
9 issued to renew or pay the same debt or the interest thereon shall not exceed five (5) years, and any
10 such refunding of notes with notes or bonds may be effected without complying with § 35-18-3(5);
11 and be it further

12 RESOLVED, That the bonds will not constitute indebtedness of the state or any of its
13 subdivisions or a debt for which the full faith and credit of the state or any of its subdivisions is
14 pledged.

15 RESOLVED, That, this Joint Resolution shall take effect upon passage.

16 SECTION 6. *Issuance of GARVEE Bonds*

17 WHEREAS, The Rhode Island department of transportation ("the department") has
18 completed a detailed review of available funding sources for transportation reconstruction,
19 maintenance, and repair and has determined that the funding available to carry out an immediate
20 program of bridge reconstruction and preventative maintenance (the "program") is insufficient; and

21 WHEREAS, The limitation in funding has occurred, in part, due to the absence of a state-
22 funded capital investment program in transportation infrastructure, and the level funding of federal
23 appropriations to the state, along with a reduction in federal funding through the elimination of
24 federal earmarks and expiration of additional special federal funds; and

25 WHEREAS, Congress has enacted the Fixing America's Surface Transportation (FAST)
26 Act, which provides an increase in available federal funding; and

27 WHEREAS, The department has explored various options to finance the costs of a robust
28 infrastructure program and concluded that the federal-aid financing program authorized in federal
29 law by Section 311 of the National Highway System Designation Act of 1995 and commonly
30 referred to as the Grant Anticipation Revenue Vehicle Program ("GARVEE program") represents
31 the best financing mechanism for the state of Rhode Island inasmuch as the GARVEE program
32 accelerates the funding available to ensure that more Rhode Island bridges do not become
33 structurally deficient; and

34 WHEREAS, The GARVEE program allows a state to issue bonds ("GARVEE Bonds") or

1 other debt instruments backed by future appropriations for federal-aid transportation projects
2 whereby such amounts are used to cover an assortment of bond-related costs, including principal
3 and interest payments, issuance costs, insurance, and other costs incidental to financing; and

4 WHEREAS, Among other advantages, GARVEE Bonds may be issued as special revenue
5 bonds without a full faith and credit pledge by the state of Rhode Island; and

6 WHEREAS, This general assembly finds that the reconstruction, maintenance, and repair
7 of the transportation infrastructure of the state is critical for economic development and the general
8 welfare of both businesses and residents; and

9 WHEREAS, The general assembly has studied the issue of sustainable transportation
10 funding and has determined that no single approach, instrument or method is able to provide
11 sufficient revenue to maintain the state transportation system in a state of good repair; and

12 WHEREAS, The department has determined that GARVEE Bonds should be utilized to
13 fund the bridge replacement, reconstruction, and maintenance component of the ten (10) year
14 capital program known as RhodeWorks; and

15 WHEREAS, In connection with the issuance of GARVEE Bonds, the state of Rhode
16 Island, acting by and through RIDOT, may elect to receive in lieu of certain monies which would
17 otherwise have been received as reimbursement from FHWA for project costs for bridges in the
18 RhodeWorks program, debt service payments to repay indebtedness in the form of bonds or notes
19 issued to finance the costs of the construction and financing bridges in the RhodeWorks program;
20 and

21 WHEREAS, The Rhode Island Public Corporation Debt Management Act (chapter 8 of
22 title 35) requires the general assembly to provide its consent to the issuance of certain obligations
23 for essential public facilities of the type referenced herein; and

24 WHEREAS, The design, construction, equipping and completion of these improvements
25 will be financed in whole or in part through revenue bonds issued pursuant to the GARVEE
26 program by the Rhode Island commerce corporation ("commerce corporation") or through revenue
27 bonds issued pursuant to the GARVEE program by another agency, instrumentality or quasi-public
28 corporation established by the state of Rhode Island now or hereafter and otherwise authorized and
29 empowered pursuant to law to issue bonds of the type referenced herein for the types of projects
30 enumerated herein, with such issuance having an expected term of fifteen (15) years, and annual
31 revenues for the operation and maintenance of the bridges to be included in the annual operating
32 budget of RIDOT; and

33 WHEREAS, The capital costs and anticipated bond issuance amounts associated with these
34 projects are estimated to be two hundred million dollars (\$200,000,000); now, therefore, be it

1 RESOLVED AND ENACTED, That the bridges in the RhodeWorks program are each
2 essential public facilities and critical to ensure the economic viability of the citizens, businesses,
3 transportation, marine trades and port facilities of the state of Rhode Island and otherwise in the
4 best interests of the state of Rhode Island, and that this general assembly hereby approves financing
5 not to exceed two hundred million dollars (\$200,000,000) in principal amount of GARVEE Bonds,
6 the repayment of which shall be derived from and supported by FHWA funds due the state of
7 Rhode Island. The term of the GARVEE Bonds shall not exceed fifteen (15) years and the total
8 debt service on the GARVEE Bonds shall not exceed two hundred seventy-five million dollars
9 (\$275,000,000); and be it further

10 RESOLVED, That the governor of the state of Rhode Island or the director of the
11 department of transportation or the director of the department of administration or the chief
12 executive officer or the chief operating officer of the commerce corporation each be and each
13 hereafter are, acting singly, authorized and empowered by the general assembly to enter into a
14 financing lease, guarantee, loan and trust agreement, indenture or other obligations or contracts or
15 agreements and to take such other actions as such official shall deem necessary or appropriate in
16 order to issue or facilitate the issuance of the GARVEE Bonds and to provide the commerce
17 corporation or any subsidiary thereof or other instrumentality, agency or quasi-public corporation
18 otherwise authorized and empowered to issue the bonds specified in this Joint Resolution for the
19 RhodeWorks program with the necessary debt service payments up to the amount specified above
20 and the necessary security for such bonds consistent with the provisions of this Joint Resolution,
21 including any action to pledge, assign or otherwise transfer the right to receive all or any portion
22 of future FHWA appropriations for federal-aid transportation projects or other revenues permitted
23 by the laws of the state of Rhode Island to secure or provide for the payment of any such GARVEE
24 Bonds; and be it further

25 RESOLVED, That, this Joint Resolution shall take effect upon passage.

26 SECTION 7. This Article shall take effect upon passage.

27