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**ARTICLE 2 AS AMENDED**

RELATING TO DEBT MANAGEMENT

SECTION 1. University of Rhode Island Fraternity Circle Improvements Phase I.

WHEREAS, The University of Rhode Island is proposing a utility and infrastructure project to replace, improve, and reorganize aged, incrementally developed utility and paved infrastructure in the sector of the Kingston Campus devoted to fraternity and sorority houses, referred to as Fraternity Circle Improvements Phase I, including improvements to water, wastewater, electrical, telecommunications, natural gas connections, and storm water management systems, as well as roadways, walkways, and parking lots as a first phase of improvements reflected in a "master plan" for this unique neighborhood of on-campus residences serving organizations of students; and

WHEREAS, Fraternities and sororities first developed in the early 1900s at the University of Rhode Island and were expanded with the initial designation and development of the "fraternity circle" neighborhood that was established in 1964, with the complement of fraternity and sorority buildings presently housing over 800 students, while maintaining strong bonds with affiliated alumni supporters of the University; and

WHEREAS, The capacity of the present water distribution system in this sector is a concern for serving sprinkler systems in both present and future houses and the wastewater system and storm water management systems must be improved and contemporized; and

WHEREAS, The upgrade and reconfiguration of gas, electric, and telecommunication infrastructure in the district, with the cooperation of National Grid and the university's networking and telecommunications operation, will address reliability, safety and long-term functionality, while reconfigured roadways, with service access, improved pedestrian safety, and parking area enhancements will bring this sector in line with the hardscape, exterior lighting, and blue-light emergency phone complements in the adjacent residence hall districts; and

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

WHEREAS, Debt service payments would be supported by university general revenues; now, therefore, be it

1           RESOLVED, That the total amount of the debt approved to be issued in the aggregate  
2 shall be limited to not more than five million one hundred thousand dollars (\$5,100,000). Total  
3 debt service on the bonds is not expected to exceed four hundred seven thousand dollars  
4 (\$407,000) annually and eight million one hundred forty thousand dollars (\$8,140,000) in the  
5 aggregate based on an average interest rate of five (5.0%) percent and a twenty (20) year  
6 maturity; and be it further

7           RESOLVED, That the Fraternity Circle Improvement Project Phase I is an important  
8 investment in the upgrade of essential utility systems to enhance public safety, ensure reliability  
9 and capacity, and safeguard the woodland/wetland setting of this sector of the Kingston Campus;  
10 and that this general assembly hereby approves financing; and it be further

11           RESOLVED, That this Joint Resolution shall take effect upon passage by this General  
12 Assembly.

13           SECTION 2. Rhode Island Turnpike and Bridge Authority.

14           WHEREAS, The Rhode Island Turnpike and Bridge Authority (the "Authority") is a  
15 public corporation of the State of Rhode Island (the "State"), constituting a public instrumentality  
16 and agency exercising public and essential governmental functions of the State, created by the  
17 General Assembly pursuant to Rhode Island General Laws § 24-12-1, et seq. (as enacted,  
18 reenacted and amended, hereinafter referred to as the "Act"); and

19           WHEREAS, The State recognizes that the Pell Bridge, the Jamestown Verrazzano Bridge  
20 and other facilities of the Authority are an essential part of the State's transportation system and  
21 facilitates the tourism industry; and it is the policy of the State that the public welfare and the  
22 further economic development and the prosperity of the State requires the maintenance of such  
23 facilities and the financing thereof; and

24           WHEREAS, The Act provides that the Authority shall have the power to charge and  
25 collect tolls for the use of its facilities; and

26           WHEREAS, Pursuant to Rhode Island General Laws § 31-36-20, three and one-half cents  
27 (\$0.035) per gallon of the motor fuel tax is transferred to the Authority to be used for  
28 maintenance, operations, capital expenditures and debt service on any of its projects as defined in  
29 chapter 12 of title 24; and

30           WHEREAS, The Act also provides that the Authority shall have the power to acquire,  
31 hold and dispose of real and personal property in the exercise of its powers and performance of its  
32 duties; and

33           WHEREAS, The Act authorizes the Authority to make and enter into all contracts and  
34 agreements necessary or incidental to the performance of its duties and the execution of its

1 powers under the Act, to issue revenue bonds of the Authority for any of its purposes and to  
2 refund its bonds, borrow money in anticipation of the issuance of its bonds, and secure its bonds  
3 and notes by the pledge of its tolls and other revenues; and

4 WHEREAS, In furtherance of its corporate purposes, the Authority is authorized to issue  
5 from time to time its negotiable revenue bonds and notes in one or more series in such principal  
6 amounts for the purpose of paying all or a part of the costs of any one or more projects authorized  
7 by the Act, making provision for working capital and a reserve for interest; and

8 WHEREAS, Pursuant to Rhode Island General Laws §§ 35-18-3 and 35-18-4 of the  
9 Rhode Island Public Corporation Debt Management Act (as enacted, reenacted and amended, the  
10 "Debt Management Act"), the Authority has requested the approval of the General Assembly of  
11 the Authority's issuance of not more than sixty five million dollars (\$65,000,000) Rhode Island  
12 Turnpike and Bridge Authority Revenue Bonds with a term not to exceed thirty (30) years and six  
13 (6) months (together with any notes issued in anticipation of the issuance of bonds, the " Bonds")  
14 to be secured by toll, transfers of motor fuel taxes and/or other revenues, for the purpose of  
15 providing funds to finance the renovation, renewal, repair, rehabilitation, retrofitting, upgrading  
16 and improvement of the Pell Bridge, the Jamestown Verrazzano Bridge, the Sakonnet River  
17 Bridge, Mount Hope Bridge, and other projects authorized under the Act, replacement of the  
18 components thereof, working capital, capitalized interest, a debt service reserve and the costs of  
19 issuing and insuring the Bonds (the "Project"); and

20 WHEREAS, The Project constitutes essential public facilities directly benefiting the  
21 State; and

22 WHEREAS, The Authority is authorized pursuant to § 24-12-28 of the Act to secure its  
23 bonds by a pledge of the tolls and other revenues received by the Authority; and

24 WHEREAS, The State shall directly benefit economically from the Project by the repair,  
25 maintenance and improvement of the State transportation infrastructure; and

26 WHEREAS, In the event that not all of the Bond proceeds are used to carry out the  
27 specified Project, the Authority will use any remaining funds to pay debt service on the Bonds;

28 Now, therefore, be it

29 RESOLVED, That this General Assembly finds that the Project is an essential public  
30 facility and is of a type and nature consistent with the purposes and within the powers of the  
31 Authority to undertake, and hereby approves the Authority's issuance of not more than sixty-five  
32 million dollars (\$65,000,000) in Bonds, which amount is in addition to all prior authorizations;  
33 and be it further

34 RESOLVED, That the Bonds will be special obligations of the Authority payable from

1 funds received by the Authority from tolls and other revenues received by the Authority. The total  
2 debt service on the Bonds is estimated to average approximately five million seventy-five  
3 thousand dollars (\$5,075,000) per year or approximately ~~one hundred fifty million two hundred~~  
4 ~~fifty thousand dollars~~ one hundred fifty-two million two hundred fifty thousand dollars  
5 (\$152,250,000) in the aggregate, prior to the receipt of any federal subsidy and/or assistance, at  
6 an average interest rate of approximately six and three-quarters percent (6.75%) and an  
7 approximately a thirty (30) year maturity; and be it further

8           RESOLVED, That the Bonds will not constitute indebtedness of the State or any of its  
9 subdivisions or a debt for which the full faith and credit of the State or any of its subdivisions is  
10 pledged.

11           RESOLVED, That this Joint Resolution shall take effect upon passage by this General  
12 Assembly.

13           SECTION 3. Chapter 24-12 of the General Laws entitled "Rhode Island Turnpike and  
14 Bridge Authority" is hereby amended by adding thereto the following section:

15           **24-12-59. Bondholders' rights not to be affected by the state. --** The state does pledge  
16 to and agree with the holders of any bonds or notes issued under this chapter that the state will not  
17 limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the  
18 holders until those bonds or notes, together with their interest, with interest on any unpaid  
19 installments of interest, and all costs and expenses in connection with any action or proceeding by  
20 or on behalf of those holders, are fully met and discharged. The authority is authorized to include  
21 this pledge and agreement of the state in any agreement with the holders of those bonds or notes.

22           SECTION 4. This article shall take effect upon passage.