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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

JOINT RESOLUTION

RELATING TO RHODE ISLAND TURNPIKE AND BRIDGE AUTHORITY -- DEBT
MANAGEMENT

Introduced By: Senator Louis P. DiPalma

Date Introduced: March 03, 2015

Referred To: Senate Finance

(by request)

1 Joint Resolution as to the Rhode Island Turnpike and Bridge Authority Project submitted
2 pursuant to Rhode Island General Law chapter 18 of title 35, "Public Corporation Debt
3 Management," specifically regarding the issuance of bonds by the Rhode Island turnpike and
4 bridge authority, and amendments to the general laws regarding bond issuance by said authority.

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

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

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

17 WHEREAS, Pursuant to Rhode Island General Laws § 31-36-20, three and one-half cents
18 (\$0.035) per gallon of the motor fuel tax is transferred to the Authority to be used for
19 maintenance, operations, capital expenditures and debt service on any of its projects as defined in

1 chapter 12 of title 24; and

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

5 WHEREAS, The Act authorizes the Authority to make and enter into all contracts and
6 agreements necessary or incidental to the performance of its duties and the execution of its
7 powers under the Act, to issue revenue bonds of the Authority for any of its purposes and to
8 refund its bonds, borrow money in anticipation of the issuance of its bonds, and secure its bonds
9 and notes by the pledge of its tolls and other revenues; and

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

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

26 WHEREAS, The Project constitutes essential public facilities directly benefiting the
27 State; and

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

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

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

34 Now, therefore, be it

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

6 RESOLVED, That the Bonds will be special obligations of the Authority payable from
7 funds received by the Authority from tolls and other revenues received by the Authority. The total
8 debt service on the Bonds is estimated to average approximately five million seventy-five
9 thousand dollars (\$5,075,000) per year or approximately one hundred fifty million two hundred
10 fifty thousand dollars (\$ 152,250,000) in the aggregate, prior to the receipt of any federal subsidy
11 and/or assistance, at an average interest rate of approximately six and three-quarters percent
12 (6.75%) and an approximately a thirty (30) year maturity; and be it further

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

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