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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, 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 subsidiary of the Rhode Island commerce corporation; and

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

1 Quonset business park; and

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

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

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

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

28 WHEREAS, the financing of the 2016 Davisville Piers Project and repayment of the  
29 bonds will be accomplished through one or more loan agreements having the Quonset  
30 development corporation as borrower, such agreement or agreements to require that the Quonset  
31 development corporation to make loan payments in an amount equal to the debt service on the  
32 bonds; now, therefore, be it:

33 RESOLVED, the general assembly hereby approves the Rhode Island commerce  
34 corporation's issuance of the bonds in a private placement or through a public offering, in one or

1 more series. The bonds will be special obligation bonds of the Rhode Island commerce  
2 corporation payable exclusively from loan repayments under a loan agreement with the Quonset  
3 development corporation and from bond proceeds, funds, accounts, and properties and the  
4 proceeds thereof pledged therefor, and thus the Rhode Island commerce corporation's maximum  
5 liability will be limited to loan repayments received under the loan agreement and the aggregate  
6 amount of such other funds, accounts, properties, and proceeds; and be it further

7         RESOLVED, that the total amount of debt approved to be issued in the aggregate shall be  
8 not more than twenty-five million dollars (\$25,000,000); and be it further

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

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

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

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

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

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