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ARTICLE 16

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 - Repaving, Hardscape & Landscape*

WHEREAS, The Rhode Island Council on Postsecondary Education is proposing a project which involves the re-pavement and reconstruction of major parking facilities, internal roadways, and walkways and associated infrastructure on the University's Kingston, Narragansett Bay, and W. Alton Jones; and

WHEREAS, The University has made progress in the improvement of its extensive inventory of paved surfaces on its Campuses, the scope of repaving and reconstruction of major parking facilities, internal roadways, and walkways and associated infrastructure is substantial and ongoing; and

WHEREAS, A recent Transportation and Parking Master Plan recommends the redevelopment of campus roadways into "complete streets" allowing safe travel for pedestrians, cyclists, vehicles and other modes of travel; and

WHEREAS, The design and execution of this Master Plan will improve the campus's environmental impact; and

WHEREAS, These timely project commitments serve the objectives of both the University and the local community; 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 paving work will be financed through Rhode Island Health and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years; and

WHEREAS, The project costs associated with completion of the project and proposed financing method is eleven million dollars (\$11,000,000), including cost of issuance. Debt Service payments would be supported by both University's unrestricted general revenues and enterprise

1 funding from the University of Rhode Island Parking Services operation. Total debt service on the
2 bonds is not expected to exceed eight hundred eighty three thousand dollars (\$883,000) annually
3 and seventeen million six hundred sixty thousand dollars (\$17,660,000) in the aggregate based on
4 an average interest rate of five percent (5%); now, therefore be it

5 RESOLVED, That this General Assembly hereby approves financing in an amount not to
6 exceed eleven million dollars (\$11,000,000) for the Repaving, Hardscape & Landscape project at
7 the University of Rhode Island; and be it further

8 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
9 the date of passage of this resolution; and be it further

10 RESOLVED, That this joint resolution shall take effect upon passage by this General
11 Assembly.

12 SECTION 3. *University of Rhode Island – Utility Infrastructure Upgrade Phase I*

13 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
14 are proposing a project which involves the engineering and construction of upgrades and
15 component replacements to five municipal-level Kingston Campus utility systems; and

16 WHEREAS, The University has engaged qualified engineering firms to examine its major
17 infrastructure systems; and

18 WHEREAS, Based on the condition and capabilities of these systems, the studies have
19 concluded that replacement of components and reconfiguration was advisable for each of these
20 extensive systems to ensure necessary steam, water, sanitary and electrical support for the next 20-
21 40 years; and

22 WHEREAS, The University has also developed the required Storm Water Management
23 Plan for the Kingston Campus, which provides guidelines that are being incorporated into new
24 building projects under development and are driving stand-alone storm water infrastructure projects
25 as well; and

26 WHEREAS, The University has successfully completed many extremely important
27 individual utility infrastructure projects in its continuing progression of work to upgrade and
28 replace infrastructure systems within the Kingston Campus but now needs dedicated investments
29 beyond annual capital resources; and

30 WHEREAS, This project is the first phase in a phased implementation plan to upgrade and
31 improve the reliability of the University of Rhode Island's Kingston campus infrastructure; and

32 WHEREAS, The utility infrastructure work will be financed through Rhode Island Health
33 and Educational Building Corporation revenue bonds, with an expected term of twenty (20) years;
34 and

1 WHEREAS, The total project costs associated with completion of this project and proposed
2 financing method is six million five hundred thousand dollars (\$6,500,000), including cost of
3 issuance. Debt service payments would be supported by revenues derived from the University's
4 unrestricted general revenues. Total debt service on the bonds is not expected to exceed five
5 hundred twenty two thousand dollars (\$522,000) annually and ten million four hundred forty
6 thousand dollars (\$10,440,000) in the aggregate based on an average interest rate of five (5%)
7 percent; now, therefore be it

8 RESOLVED, That this General Assembly hereby approves financing in an amount not to
9 exceed six million five hundred thousand dollars (\$6,500,000) for the Utility Infrastructure
10 Upgrade Phase I project at the University of Rhode Island; and be it further

11 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
12 the date of passage of this resolution; and be it further

13 RESOLVED, That this joint resolution shall take effect upon passage by this General
14 Assembly.

15 SECTION 4. *University of Rhode Island – Fire Safety & Protection – Auxiliary Enterprise*
16 *Buildings Phase Two*

17 WHEREAS, The Council on Postsecondary Education and the University of Rhode Island
18 are proposing a project which involves the installation of upgraded fire alarm and sprinkler systems
19 as well as life safety improvements in auxiliary enterprise buildings, in accordance with the State
20 Fire Code; and

21 WHEREAS, The Council on Postsecondary Education and the University have a long
22 standing commitment to the improvement and maintenance of fire safety conditions in all of the
23 buildings under their responsibility; and

24 WHEREAS, The University has already completed extensive fire safety improvements
25 during the Fire Safety & Protection – Auxiliary Enterprise Buildings Phase One; and

26 WHEREAS, The University engaged a qualified fire code compliance engineering firm to
27 examine all of its occupied buildings and the firm has recommended fire safety improvements
28 needed to satisfy the Rhode Island Fire Code; and

29 WHEREAS, There remains fire safety compliance investments, identified by the
30 University's fire compliance engineering firm, in its Auxiliary Enterprise building complement that
31 the University is prepared to advance; and

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

1 and

2 WHEREAS, The design and construction associated with this fire safety compliance work
3 in Auxiliary Enterprise buildings will be financed through the Rhode Island Health and Educational
4 Building Corporation (RIHEBC) revenue bonds, with an expected term of twenty (20) years; and

5 WHEREAS, The total project costs associated with completion of the project and proposed
6 financing method is two million three hundred thousand dollars (\$2,300,000), including cost of
7 issuance. Debt service payments would be supported by revenues derived from student fees
8 associated with the respective Auxiliary Enterprises of the University of Rhode Island occupying
9 said facilities. Total debt service on the bonds is not expected to exceed one hundred eighty five
10 thousand dollars (\$185,000) annually and three million seven hundred thousand dollars
11 (\$3,700,000) in the aggregate based on an average interest rate of five (5%) percent; now, therefore
12 be it

13 RESOLVED, That this General Assembly hereby approves financing in an amount not to
14 exceed two million three hundred thousand dollars (\$2,300,000) for the fire safety and protection
15 project for the auxiliary enterprise buildings on the University of Rhode Island campus; and be it
16 further

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

19 RESOLVED, That this joint resolution shall take effect upon passage by this General
20 Assembly.

21 SECTION 5. *Eleanor Slater Hospital Project-Regan Building Renovation*

22 WHEREAS, The Eleanor Slater Hospital (the "Hospital") provides long-term acute care
23 and post-acute care for approximately two hundred twenty (220) individuals with complex
24 psychiatric and medical needs on two campuses - Pastore and Zambarano; and

25 WHEREAS, The Hospital is licensed by the Rhode Island Department of Health
26 ("RIDOH") and accredited triennially by the Joint Commission for the Accreditation of Health Care
27 Organizations ("JCAHO") that enables it to bill Medicare, Medicaid, and commercial insurances
28 for the care it provides; and

29 WHEREAS, The revenue the Hospital can bill Medicare, Medicaid, and other insurers
30 approximates \$55.0 million annually; and

31 WHEREAS, On the Pastore campus the patients who have psychiatric needs are currently
32 in three buildings (Pinel, Regan and Adolph Meyer) that are older buildings that have not been
33 updated in many years; and

34 WHEREAS, In January 2017, the Center for Medicare and Medicaid Services ("CMS")

1 published new standards designed to address the increased number of suicides and suicide attempts
2 in hospitals; such standards required significant renovations to reduce ligature risks on inpatient
3 psychiatric units; and

4 WHEREAS, In September 2017, JCAHO performed its triennial survey, identified
5 significant ligature risks at the Pinel and the Adolph Meyer Buildings and as a result, gave the
6 Hospital a rating of Immediate Threat to Life, requiring it to submit a long-term plan to address the
7 ligature risks in both buildings; and

8 WHEREAS, The Pinel and the Adolph Meyer Buildings currently do not meet JCAHO
9 and CMS requirements and a loss of accreditation for not meeting the submitted plan could lead to
10 the loss of approximately \$55.0 million in federal Medicaid match; and

11 WHEREAS, The Hospital submitted to JCAHO a plan to renovate the Benton Center and
12 the Regan Building, and to close the Pinel and Adolph Meyer Buildings, thus enabling it to achieve
13 full accreditation; and

14 WHEREAS, A renovation of the existing Pinel and Adolph Meyer Buildings would not be
15 financially beneficial due to the magnitude of renovations that would need to be performed on these
16 buildings to allow the Hospital to achieve full accreditation; and

17 WHEREAS, The renovation of the Benton Center will be completed in June 2018, utilizing
18 Rhode Island Capital Plan Fund financing, enabling the Hospital to close the Pinel Building and 2
19 units in the Adolph Meyer Building and relocate approximately forty-five (45) psychiatric patients
20 to Benton; and

21 WHEREAS, This will leave approximately fifty (50) to fifty-five (55) psychiatric patients
22 remaining in the Adolph Meyer Building; and

23 WHEREAS, There are significant ligature risks that exist in Adolph Meyer and the current
24 size of the units are twelve (12) to fifteen (15) beds sizes that are too small to be efficient in
25 hospitals, while the size of the patient care units in Regan are twenty-four (24) to twenty-eight (28)
26 beds - more typical of patient care units today; and

27 WHEREAS, Closing inefficient units in the Adolph Meyer Building will enable the
28 Hospital to reduce operating costs and address the deficiencies cited by the JCAHO; and

29 WHEREAS, There are currently three (3) floors in the Regan Building that can house
30 patients, one that is vacant, one currently with twenty-eight (28) psychiatric patients, and another
31 with currently seventeen (17) medical patients; and whereas a fourth floor can be renovated into an
32 inpatient unit; and

33 WHEREAS, To accommodate the remaining psychiatric patients in the Adolph Meyer
34 Building, three (3) floors would require extensive renovations to meet the current building

1 standards for psychiatric inpatient units, including requirements for ligature resistant features,
2 program areas, step down areas, quiet rooms, restraint rooms and private rooms that currently do
3 not exist in the Regan or the Adolph Meyer Buildings; and

4 WHEREAS, The renovated facility would have a total of one hundred five (105) beds with
5 larger inpatient units and program space within the units, thus enabling the Hospital to reduce
6 operating costs and develop programs to assist patients in their recovery and ultimate discharge;
7 and

8 WHEREAS, Due to its age, the Regan Building requires significant infrastructure upgrades
9 including: elevator replacement, masonry and window leak repair, and a partial roof replacement
10 with an estimated total cost of nine million dollars (\$9,000,000); and

11 WHEREAS, The capital costs associated with this project are estimated to be forty-nine
12 million, eight hundred fifty thousand dollars (\$49,850,000). This includes \$27,850,000 from the
13 Rhode Island Capital Plan Fund for the renovation of the Benton and Regan Buildings and
14 \$22,000,000 from the issuance of Certificates of Participation to finance the Regan Building
15 renovations. The total issuance would be \$22,000,000, with total lease payments over fifteen (15)
16 years on the \$22,000,000 issuance projected to be \$32,900,000, assuming an average coupon of
17 five percent (5.0%). The lease payments would be financed within the Department of
18 Administration from general revenue appropriations; now, therefore be it

19 RESOLVED, That a renovation of the Regan Building as part of Eleanor Slater Hospital,
20 is critical to provide patients with an environment that meets current building standards for
21 psychiatric hospitals and to meet CMS and JCAHO accreditation requirements; and be it further

22 RESOLVED, This General Assembly hereby approves the issuance of certificates of
23 participation in an amount not to exceed \$22,000,000 for the renovation of the Regan Building,
24 part of the Eleanor Slater Hospital; and be it further

25 RESOLVED, That this joint resolution shall apply to bonds issued within five (5) years of
26 the date of passage of this resolution; and be it further

27 RESOLVED, That this joint resolution shall take effect upon passage by this General
28 Assembly.

29 SECTION 6. This article shall take effect upon passage.
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