

2022 -- S 3042

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

JOINT RESOLUTION

RELATING TO PUBLIC CORPORATION DEBT MANAGEMENT

Introduced By: Senator V. Susan Sosnowski

Date Introduced: June 18, 2022

Referred To: Senate Finance

1 SECTION 1. This act consists of a Joint Resolution that is submitted pursuant to Rhode
2 Island General Laws § 35-18-1, et seq.

3 SECTION 2. Brookside Apartments II -- University of Rhode Island

4 WHEREAS, The University of Rhode Island Board of Trustees is proposing a project
5 which involves the construction of a new residence hall on the Kingston campus; and

6 WHEREAS, The undergraduate student enrollment is critical to the fiscal health of the
7 University; and

8 WHEREAS, There is high undergraduate student demand for apartment style on campus
9 housing; and

10 WHEREAS, The University is committed to providing adequate and appropriate housing
11 opportunities for its students; and

12 WHEREAS, The University continues to undertake significant improvements to existing
13 dormitory style housing facilities and has built new units that offer both suite style and apartment
14 living options with the goal of providing over fifty percent (50%) of its undergraduate students on
15 campus housing in keeping with its peer institutions; and

16 WHEREAS, Apartment style housing units are critical for the on campus retention of
17 third and fourth year students that often seek alternative housing off campus; and

18 WHEREAS, A recent market change has necessitated this additional, apartment style
19 campus housing; and

20 WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the

1 General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island
2 and other public agencies of certain obligations including financing guarantees or other
3 agreements; and

4 WHEREAS, The design and construction of the project will be financed through Rhode
5 Island Health and Educational Building revenue bonds, with an expected term of thirty (30)
6 years; and

7 WHEREAS, The total project costs associated with the completion of the project and
8 proposed financing method would be supported by auxiliary fee revenues for URI Housing and
9 Residential Life for the apartment building and potentially up to three and one half percent (3.5%)
10 by University general funds for site enabling facility relocation, utility infrastructure and site
11 work; and

12 WHEREAS, The URI Auxiliary bond indenture stipulates that in order to issue new debt,
13 the auxiliary revenues less auxiliary enterprise expenditures, excluding capital expenditures and
14 debt service, must cover auxiliary debt service 1.2 times, thus ensuring that any new bonds will
15 be issued on a financially sound basis; and

16 WHEREAS, The project is targeting a total project financing level of one hundred sixty-
17 three million one hundred thousand dollars (\$163,100,000), which includes capitalized interest
18 and the associated cost of financing, with an assumed interest rate of six percent (6%) and a thirty
19 (30) year term, which has debt service repayments that will not exceed three hundred fifty-six
20 million dollars (\$356,000,000).

21 RESOLVED, That the General Assembly hereby approves financing in an amount not to
22 exceed total debt service payments of three hundred fifty-six million dollars (\$356,000,000) for
23 construction of a new apartment style residence facility on the University of Rhode Island
24 Kingston Campus; and be it further

25 RESOLVED, That, this Joint Resolution shall take effect upon passage by this General
26 Assembly.

27 SECTION 3. This Joint Resolution shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
JOINT RESOLUTION
RELATING TO PUBLIC CORPORATION DEBT MANAGEMENT

- 1 This Joint Resolution would authorize approval of financing in an amount not to exceed
- 2 three hundred fifty-six million dollars (\$356,000,000) for construction of a new apartment style
- 3 residence facility at the University of Rhode Island.

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