

2022 -- S 3008

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LC006106
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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF TWO NEW HIGH SCHOOLS AND SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH SCHOOL, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

Introduced By: Senators McCaffrey, and Calkin

Date Introduced: June 09, 2022

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. The city of Warwick is hereby authorized, in addition to authority previously
2 granted, to issue bonds and other evidences of indebtedness (hereinafter "bonds") up to an amount
3 not exceeding three hundred fifty million dollars (\$350,000,000) from time to time under its
4 corporate name and seal or a facsimile of such seal; provided, however, that bonds shall not be
5 issued unless the conditions of section 2 hereof as to the level of state aid are met. The bonds of
6 each issue may be issued in the form of serial bonds or term bonds or a combination thereof and
7 shall be payable either by maturity of principal in the case of serial bonds or by mandatory sinking
8 fund installments in the case of term bonds, in annual installments of principal, the first installment
9 to be not later than five (5) years and the last installment not later than thirty (30) years after the
10 date of the bonds. All such bonds of a particular issue may be issued in the form of zero coupon
11 bonds, capital appreciation bonds, serial bonds or term bonds or a combination thereof. The amount
12 of principal appreciation each year on any bonds, after the date of original issuance, shall not be
13 considered to be principal indebtedness for the purposes of any constitutional or statutory debt limit

1 or any other limitation. The appreciation of principal after the date of original issue shall be
2 considered interest. Only the original principal amount shall be counted in determining the principal
3 amount so issued and any interest component shall be disregarded.

4 SECTION 2. The city may be eligible for school housing aid reimbursement on debt
5 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
6 proceeds of bonds issued by the State of Rhode Island (the "state"), from the Rhode Island
7 department of education ("RIDE") or from the Rhode Island school building authority. The amount
8 of borrowing authorized pursuant to this act shall be reduced by the amount of certain grants
9 actually received by the city from state bond proceeds, from RIDE or from the Rhode Island
10 school building authority; provided however, that the amount of borrowing authorized shall not be
11 reduced by the amount of any grant received by the city for any portion of the projects funded by
12 capital reserve funds. Bonds, notes or other evidences of indebtedness shall not be issued under this
13 act unless the city has received a letter from RIDE confirming that the then-current school housing
14 aid reimbursement rate under chapter 7 of title 16, as amended from time to time, or financial
15 assistance from the school building authority capital fund, or pursuant to any other law hereafter
16 enacted providing for funds to municipalities for school housing purposes, is not less than forty-
17 five percent (45%) of debt service for those expenditures which are eligible for state aid.

18 SECTION 3. The bonds shall be signed by the city treasurer and by the manual or facsimile
19 signature of the mayor and be issued and sold in such amounts as the city council may determine
20 by resolution. The manner of sale, denominations, maturities, interest rates and other terms,
21 conditions and details of any bonds or notes issued under this act may be fixed by the proceedings
22 of the city council authorizing the issue or by separate resolution of the city council or, to the extent
23 provisions for these matters are not so made, they may be fixed by the officers authorized to sign
24 the bonds or notes. Notwithstanding anything contained in this act to the contrary, the city may
25 enter into financing agreements with the Rhode Island health and educational building corporation
26 pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and, with respect to notes or bonds
27 issued in connection with such financing agreements, if any, the city may elect to have the
28 provisions of chapter 38.1 of title 45 apply to the issuance of the bonds or notes issued hereunder
29 to the extent the provisions of chapter 38.1 of title 45 are inconsistent herewith. In addition, the city
30 may enter into financing agreements with the Rhode Island infrastructure bank pursuant to the
31 provisions of chapter 12.2 of title 46 and, with respect to bonds or notes issued in connection with
32 such financing agreements, if any, the city may elect to have the provisions of chapter 12.2 of title
33 46 apply to the issuance of the bonds or notes issued hereunder to the extent the provisions of
34 chapter 12.2 of title 46 are inconsistent herewith. Such election may be fixed by the proceedings of

1 the city council authorizing such issuance of by separate resolution of the city council, or, to the
2 extent provisions for these matters are not so made, they may be fixed by the officers authorized to
3 sign the bonds or notes. The proceeds derived from the sale of the bonds shall be delivered to the
4 city treasurer, and such proceeds, exclusive of premiums and accrued interest, shall be expended:
5 (1) For the construction, renovation, improvement, alteration, repair, landscaping, furnishing and
6 equipping of two (2) new high schools and school facilities to replace Pilgrim High School and
7 Tollgate High School, and all attendant expenses including, but not limited to, demolition,
8 engineering and architectural costs (the "projects"); (2) In payment of the principal of or interest
9 on temporary notes issued under section 4; (3) In repayment of advances under section 5; (4) In
10 payment of related costs of issuance of any bonds or notes; and/or (5) In payment of capitalized
11 interest during construction of the projects. No purchaser of any bonds or notes under this act shall
12 be in any way responsible for the proper application of the proceeds derived from the sale thereof.
13 The proceeds of bonds or notes issued under this act, any applicable federal or state assistance and
14 the other monies referred to in sections 7 and 10 shall be deemed appropriated for the purposes of
15 this act without further action than that required by this act. The bonds authorized by this act may
16 be consolidated for the purpose of issuance and sale with any other bonds of the city heretofore or
17 hereafter authorized; provided that, notwithstanding any such consolidation, the proceeds from the
18 sale of the bonds authorized by this act shall be expended for the purposes set forth above.

19 SECTION 4. The city council may by resolution authorize the issuance from time to time
20 of interest bearing or discounted notes in anticipation of the issue of bonds under section 3 or in
21 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
22 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
23 under this act and the amount of original notes issued in anticipation of federal or state aid may not
24 exceed the amount of available federal or state aid as estimated by the city treasurer. Temporary
25 notes issued hereunder shall be signed by the manual or facsimile signatures of the city treasurer
26 and the mayor and shall be payable within five (5) years from their respective dates, but the
27 principal of and interest on notes issued for a shorter period may be renewed or paid from time to
28 time by the issue of other notes hereunder; provided the period from the date of an original note to
29 the maturity of any note issued to renew or pay the same debt or the interest thereon shall not exceed
30 five (5) years. Any temporary notes in anticipation of bonds issued under this section may be
31 refunded prior to the maturity of the notes by the issuance of additional temporary notes; provided
32 that, no such refunding shall result in any amount of such temporary notes outstanding at any one
33 time in excess of two hundred percent (200%) of the amount of bonds which may be issued under
34 this act; and provided, further, that if the issuance of any such refunding notes results in any amount

1 of such temporary notes outstanding at any one time in excess of the amount of bonds which may
2 be issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund
3 established with the bank which is paying agent for the notes being refunded. Pending their use to
4 pay the notes being refunded, monies in the fund shall be invested for the benefit of the city by the
5 paying agent at the direction of the city treasurer in any investment permitted under section 6. The
6 monies in the fund and any investments held as a part of the fund shall be held in trust and shall be
7 applied by the paying agent solely to the payment or prepayment of the principal of and interest on
8 the notes being refunded. Upon payment of all principal of and interest on the notes, any excess
9 monies in the fund shall be distributed to the city. The city may pay the principal of and interest on
10 notes in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant
11 to section 1 hereof. In such case, the city's authority to issue bonds or notes in anticipation of bonds
12 under this act shall continue provided that: (1) The city council passes a resolution evidencing the
13 city's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and (2)
14 That the period from the date of an original note to the maturity date of any other note shall not
15 exceed five (5) years.

16 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
17 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
18 council may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
19 treasury of the city to the purposes specified in section 3, such advances to be repaid without interest
20 from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable federal
21 or state assistance or from other available funds.

22 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable federal
23 or state assistance, pending their expenditure may be deposited or invested by the city treasurer, in
24 demand deposits, time deposits or savings deposits in banks which are members of the Federal
25 Deposit Insurance Corporation or in obligations issued or guaranteed by the United States of
26 America or by any agency or instrumentality thereof or as may be provided in any other applicable
27 law of the State of Rhode Island or resolution of the city council or pursuant to an investment policy
28 of the city.

29 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder shall
30 be applied to the payment of the first interest due thereon. Any premiums arising from the sale of
31 bonds or notes hereunder may, in the discretion of the city treasurer, be applied to the cost of
32 preparing, issuing, and marketing bonds or notes hereunder to the extent not otherwise provided
33 and, notwithstanding any other provisions of the general laws regarding the use of premium, shall
34 not be applied to costs of the projects other than costs of issuance. Any premium in excess of the

1 amounts to be applied to costs of issuance shall be applied to reduce the principal amount of the
2 bonds or notes issued. The cost of preparing, issuing, and marketing bonds or notes hereunder may
3 also, in the discretion of the city treasurer, be met from bond or note proceeds exclusive of premium
4 and accrued interest or from other monies available therefor. Any balance of bond or note proceeds
5 remaining after payment of the cost of the projects and the cost of preparing, issuing and marketing
6 bonds or notes hereunder shall be applied to the payment of the principal of or interest on bonds or
7 notes issued hereunder. To the extent permitted by applicable federal laws, any earnings or net
8 profit realized from the deposit or investment of funds hereunder may, upon receipt, be added to
9 and dealt with as part of the revenues of the city from property taxes. In exercising any discretion
10 under this section, the city treasurer shall be governed by any instructions adopted by resolution of
11 the city council.

12 SECTION 8. All bonds and notes issued under this act and the debt evidenced hereby shall
13 be obligatory on the city in the same manner and to the same extent as other debts lawfully
14 contracted by it and shall be excepted from the operation of § 45-12-2 and any provision of the city
15 charter. No such obligation shall at any time be included in the debt of the city for the purpose of
16 ascertaining its borrowing capacity. The city shall annually appropriate a sum sufficient to pay the
17 principal and interest coming due within the year on bonds and notes issued hereunder to the extent
18 that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
19 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
20 notwithstanding any provisions of law to the contrary, all taxable property in the city shall be
21 subject to ad valorem taxation by the city without limitation as to rate or amount.

22 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
23 executed by the officers of the city in office on the date of execution, shall be valid and binding
24 according to their terms notwithstanding that before the delivery thereof and payment therefor any
25 or all of such officers shall for any reason have ceased to hold office.

26 SECTION 10. The city, acting by resolution of its city council is authorized to apply for,
27 contract for and expend any federal or state advances or other grants of assistance which may be
28 available for the purposes of this act, and any such expenditures may be in addition to other monies
29 provided in this act. To the extent of any inconsistency between any law of this state and any
30 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest
31 where applicable, whether contracted for prior to or after the effective date of this act, may be
32 repaid as a cost of the projects under section 3.

33 SECTION 11. Bonds and notes may be issued under this act without obtaining the approval
34 of any governmental agency or the taking of any proceedings or the happening of any conditions

1 except as specifically required by this act for such issue. In carrying out any project financed in
2 whole or in part under this act, including where applicable the condemnation of any land or interest
3 in land, and in the levy and collection of assessments or other charges permitted by law on account
4 of any such project, all action shall be taken which is necessary to meet constitutional requirements
5 whether or not such action is otherwise required by statute, but the validity of bonds and notes
6 issued hereunder shall in no way depend upon the validity or occurrence of such action.

7 SECTION 12. The city treasurer and the mayor, on behalf of the city are hereby authorized
8 to execute such instruments, documents or other papers as either of them deem necessary or
9 desirable to carry out the intent of this act and are also authorized to take all actions and execute all
10 documents necessary to comply with federal tax and securities laws, which documents or
11 agreements may have a term coextensive with the maturity of the bonds authorized hereby,
12 including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute
13 and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes
14 in the form as shall be deemed advisable by such officers in order to comply with the Rule.

15 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
16 and notes under this act may be extinguished by resolution of the city council, without further action
17 by the general assembly, seven (7) years after the effective date of this act.

18 SECTION 14. The question of the approval of this act shall be submitted to the electors of
19 the city at the general election to be held on November 8, 2022. The question shall be submitted in
20 substantially the following form: "Shall an act passed at the 2022 session of the general assembly
21 entitled 'AN ACT AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO
22 EXCEED \$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER
23 EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION,
24 RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING
25 AND EQUIPPING OF TWO NEW HIGH SCHOOLS AND SCHOOL FACILITIES TO
26 REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH SCHOOL, AND ALL
27 ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION,
28 ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE
29 HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS
30 THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION
31 SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM
32 STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION
33 OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY' be approved?" and the
34 warning for the election shall contain the question to be submitted. From the time the election is

1 warned and until it is held, it shall be the duty of the city clerk to keep a copy of the act available
2 at the clerk's office for public inspection, but the validity of the election shall not be affected by
3 this requirement. To the extent of any inconsistency between this act and the city charter or any
4 law of special applicability to the city, this act shall prevail.

5 SECTION 15. This act shall constitute an enabling act of the general assembly that is
6 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
7 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
8 unless the school projects described herein have been approved by RIDE.

9 SECTION 16. Sections 14 and 16 shall take effect upon the passage. The remainder of this
10 act shall take effect upon the approval of this act by a majority of those voting on the question at
11 the election prescribed by section 14.

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EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$350,000,000
GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT,
ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF TWO NEW
HIGH SCHOOLS AND SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL
AND TOLLGATE HIGH SCHOOL, AND ALL ATTENDANT EXPENSES INCLUDING,
BUT NOT LIMITED TO, DEMOLITION, ENGINEERING AND ARCHITECTURAL COSTS,
SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR
STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND
PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF
CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE
ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL
BUILDING AUTHORITY

1 This act would authorize the city of Warwick to issue not more than three hundred fifty
2 million dollars (\$350,000,000) general obligation bonds, notes and other evidences of indebtedness
3 to finance the construction, renovation, improvement, alteration, repair, landscaping,
4 furnishing and equipping of two (2) new high schools and school facilities to replace Pilgrim High
5 School and Tollgate High School, and all attendant expenses including, but not limited to,
6 demolition, engineering and architectural costs, subject to approval of state housing aid at a
7 reimbursement rate or state share ratio of not less than forty-five percent (45%) at the time of
8 issuance and provided that the authorization shall be reduced by the amount of certain grants
9 received from state bond proceeds, from the Rhode Island department of education or from the
10 Rhode Island school building authority.

11 This act would constitute an enabling act of the general assembly that is required pursuant
12 to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under this act for school
13 projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44 unless the school
14 projects described herein have been approved by the Rhode Island department of education
15 ("RIDE").

16 Sections 14 and 16 would take effect upon passage. The remainder of the act would take
17 effect upon approval of the question provided for in section 14.

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