Introduction

- Article 4
  - Section 2 – Information Technology Improvements
  - Section 3 – Virks Building
  - Section 4 – Garrahy Courthouse Parking Project
- Article 5, Question 1: Higher Education Facilities
Assembly Role

- Appropriate Pay-Go (Articles 1 and 10)
- Approve General Obligation Bond Referenda
  - Voters approve or reject
  - Debt service automatic

Project Considerations

- Does the project need to be done
- Is the project ready to be done
  - When will it start
  - Is it well thought through and ready for funding/financing
  - When will it be complete
Funding Considerations

- Should a project be financed or pay-go
  - Rhode Island Capital Plan funds available as pay-go for all or part of project
  - More pay-go equals less future debt service

Public Corporation Debt Management Act (Kushner Act)

- Enacted in 1994
- Subsequently amended to increase Assembly’s approval role
- Ensures that debt with a state tie was not issued without legislative review
- Result of Commission chaired by Rep. Linda Kushner
Article 4

- Act requires all new non-general obligation debt authorizations be approved by Assembly except in certain circumstances
  - Unless Governor certifies that federal funds will be available to make all payments
  - Event after Assembly has adjourned, Governor certifies an action is necessary to protect the physical integrity of an essential public facility

Article 4

- Public Debt Management Act
- Certain quasi-public agencies are exempt:
  - Clean Water Finance Agency
  - Housing & Mortgage Finance Corporation
  - Health & Educational Building Corporation
Articles 4 and 15

- Includes $200.1 million under Public Corporation Debt Management Act
  - Information Technology
  - Virks Building Renovation
  - Historic Structures Tax Credits (Art. 15)
  - T.F. Green Improvements
  - Garrahy Courthouse Parking

Kushner Items

<table>
<thead>
<tr>
<th>Certificate of Participation (COPS)</th>
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<tbody>
<tr>
<td>Information Technology</td>
<td>$30.0</td>
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<tr>
<td>Virks Building Renovation</td>
<td>13.0</td>
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<tr>
<td>Historic Structures Tax Credits (Feb. 26)</td>
<td>52.1</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$95.1</strong></td>
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Kushner Items

Revenue Bonds (in millions)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (in millions)</th>
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<tbody>
<tr>
<td>T.F. Green Improvements – including Runway Extension</td>
<td>$60.0</td>
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<tr>
<td>Garrahy Courthouse Parking</td>
<td>45.0</td>
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<td><strong>Total</strong></td>
<td><strong>$105.0</strong></td>
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</table>

Article 4, Section 2 – Info. Tech.

- Last 10 years, Assembly has authorized $94.9 million from Certificates of Participation for information technology projects
- 2012 Assembly authorized $45.3 million
  - $25.0 million for an integrated tax system
  - $20.3 million for wireless classroom in local school districts
Article 4, Section 2 – Info. Tech.

- 2006 Assembly authorized $49.6 million for six projects
  - Registry of Motor Vehicles Computer System
  - Taxation Database
  - Court Technology
  - Web licensing capability for Department of Business Regulation
  - State infrastructure (servers, emails)
  - Science and Technology

Article 4, Section 2 – Info. Tech.

- Project completion varies
  - Four are 100% completed
  - Web licensing capability - final phase
  - DMV Computer System
    - Not completed and over budget
    - Expected date is now May 2014
Section 2 would authorize $30.0 million for information technology projects
- Backup information lists 13 projects
- Staff requested details on each project and information that was submitted do not reflect the same projects

Proposed language
- Legislation cites projects in the following areas:
  - “budget & grant management & HR information systems, emergency notification system upgrades, RI Veterans Home - automated pharmacy services, content management system, DOH electronic birth records, DEM enterprise permit system, & record digitization upgrades”
Article 4, Section 2 – Info. Tech.

- Annual debt service $3.9 million for 10 years

- Issues to consider:
  - Use of Information Technology Investment Fund
  - Federal match opportunities

Article 4, Section 3 – Virks Building Renovation

- Authorizes $13.0 million from Certificates of Participation to renovate Virks building in the Pastore Center
  - Structure is four stories with 54,000 sq. ft.
  - Including electrical system, HVAC, roof and fire code
  - Can accommodate 200 – 225 employees
  - Would be occupied by the Executive Office of Health and Human Services
**Article 4, Section 3 – Virks Building Renovation**

- Annual debt service $1.3 million for 15 years
  - Half would be supported by federal funds
- Issues to consider:
  - Pay-go available?
  - Can state get federal match if it is not financed?

**Article 4, Section 5 – Garrahy Courthouse Parking Garage**

- Authorization for $45.0 million
- Construction of 1,250 parking spaces
- 13,800 square feet of retail space
Article 4, Section 5 – Garrahy Courthouse Parking Garage

- The proposal does not identify financing specifics
- Debt service payments would be supported by parking revenues, which may be state subsidized
- State agreement to lease spaces?
  - Assuming 5.5% interest rate for 20 years, $3.9 million annually

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Article 4, Section 5 – Garrahy Courthouse Parking Garage

- 2013 Assembly established an 11-member commission to make a comprehensive study and issue findings

- The Commission has not issued its findings
  - Met two times
History

- 1999 Parking Garage Study
- Article 39 of 2002-H 7732, Governor’s proposal for construction - $15.0 million for a 927-space garage
- FY 2006 Budget: $18.0 million to construction a 1,135-space garage - no approval was requested

History

- 2007 Assembly authorized RI Housing or another agency to establish a request for proposals for a mixed use project assumed land revenues of $7.5 million
  - Initiative did not materialize & authorization was repealed
- FY 2009 revised budget included proposal similar to 2007
  - Was not approved
Plan relies on $275.0 million of new general obligation bonds for November 2014 ballot

- Higher Education projects
- Transportation
- Water Infrastructure
- Recreation and Environment
- Arts - Cultural Economy

**Bond Referenda – November 2014**

<table>
<thead>
<tr>
<th>Project</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Higher Education</td>
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<tr>
<td>Transportation (Feb. 25)</td>
<td>40,000,000</td>
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<tr>
<td>Water Infrastructure (Feb. 27)</td>
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<tr>
<td>Environment &amp; Recreation (Feb. 27)</td>
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<td>Arts (Feb. 26)</td>
<td>35,000,000</td>
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<td><strong>Total</strong></td>
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**Bond Referenda – November 2014**

<table>
<thead>
<tr>
<th></th>
<th>Annual Debt Service</th>
<th>Total Cost</th>
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<td>Higher Education</td>
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<tr>
<td>Transportation</td>
<td>3.3</td>
<td>64.1</td>
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<td>Water Infrastructure</td>
<td>2.9</td>
<td>56.1</td>
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<tr>
<td>Environment</td>
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<td>Arts</td>
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<td><strong>Total</strong></td>
<td><strong>$22.8</strong></td>
<td><strong>$440.6</strong></td>
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Assumes 5% rate and 20 year maturity
Data in millions

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**Article 5, Question 1 – Higher Education Facilities**

- Question 1: $125.0 million for URI engineering project on November 2014 ballot
  - First phase of project to renovate and build additions to College of Engineering complex
  - Annual debt service would be $10.3 million
Phase I
- Removal of Crawford, Kelley, Gilbreth and Wales Halls
- Renovate Kirk Building
- Construct 195,000 sq. ft. new facility adjacent to remaining engineering buildings
  - Bliss and Kirk Halls

Governor’s capital budget includes $25.5 million for November 2016 ballot for phase II
- Renovate Bliss Hall (41,400 sq. ft.)
- Construct addition to Bliss Hall (21,000 sq. ft.)
- Annual debt service would be $2.1 million
Governor’s capital budget does not include the requested phase III
$38.9 million requested for 2018 ballot
Construction of new academic and wave tank facility for Ocean Engineering and Oceanography
- 45,000 sq. ft. at Narragansett Bay Campus
- Annual debt service would be $3.2 million

Higher education general obligation bond debt service is funded solely from general revenues
General revenues and tuition and fees are used to pay debt service on revenue bonds
Governor recommends $186.0 million from revenue bonds
- $11.6 million annual debt service
### Article 5, Question 1 – Higher Education Facilities

<table>
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<th>Ballot</th>
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<tr>
<td>2004</td>
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<td>URI Biotech</td>
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<tr>
<td>2004</td>
<td>$50.0</td>
<td>URI/RIC Dorms</td>
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<td>2004</td>
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<td>URI Pell Library</td>
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<td>2006</td>
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<td>RIC DCYF Facilities</td>
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<td>2006</td>
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<td>URI Pharmacy</td>
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<td>2010</td>
<td>$17.0</td>
<td>RIC Art Center</td>
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<td>2010</td>
<td>$61.0</td>
<td>URI Chemistry</td>
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<td>2012</td>
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<td>RIC Academic Buildings</td>
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<tr>
<td>2014</td>
<td>$125.0</td>
<td>URI Engineering</td>
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**10-Year Total**  $439.8

### Article 5, Question 1 – Higher Education Facilities

**URI Unrestricted Debt Service**  
*general revenues, tuition, fees*

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<tr>
<td>$20.0</td>
<td>$21.5</td>
<td>$23.0</td>
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*assumes approval of $125 M in 2014 and $25.5 M in 2016*