MEMORANDUM

To: The Honorable Marvin L. Abney  
   Chairman, House Finance Committee

   The Honorable William J. Conley, Jr.  
   Chairman, Senate Finance Committee

From: Thomas A. Mullaney  
   Executive Director/State Budget Officer

Date: July 27, 2020

Subject: Amendment to Article 5 – Relating to Capital Development Program (20-H-7171)

The Governor requests that Article 5 entitled “Relating to Capital Development Program” be replaced with the attached version. The modifications to the original version of the article are denoted by shading.

The General Treasurer released guidance that would allow for the authorization of additional debt as a tool for economic stimulus. This amendment updates the proposed November 2020 ballot initiatives with the primary objectives of promoting and accelerating economic recovery and community resiliency in the wake of COVID-19. These proposed changes also position the State to mitigate the potential effects of reduced funding availability in the RI Capital Plan Fund (RICAP), consistent with the General Treasurer’s guidance.

The attached amendment adds the design and construction of new health laboratories and ancillary facilities to provide enhanced public health services, pursue medical innovations, and develop a bioscience-related economy at a cost totaling $107.0 million. The State health laboratories are Rhode Island’s primary link to the Centers for Disease Control and Prevention (CDC), and it is more critical than ever that the State can provide enhanced services for disease prevention and management, testing, monitoring and investigations.

The amendment also adds financing for transportation infrastructure state match ($30.0 million) to ensure the continued implementation of RhodeWorks in an environment with reduced gas tax and a potential decrease in RICAP resources.

Additional modifications to the original ballot initiatives submitted in the Governor’s Fiscal Year 2021 budget proposal include:

- $40.0 million increase in funding to support affordable housing development and community revitalization through property acquisition and investment in local infrastructure or assets.
- $11.0 million increase in funding for the Port of Davisville at Quonset to complete the rehabilitation of Pier 2.
- $35.0 million increase in competitive funding for industrial reshoring and site development projects to enhance offshore wind-related development, reshore jobs and revitalize the economy.
• $5.0 million increase for State beaches, parks and campgrounds to fund infrastructure development at the I-195 Park and additional funding for the State’s recreation facilities.

The Governor and the Office of Management and Budget (OMB) recognize the level of uncertainty that remains regarding the Rhode Island’s receipt of any additional federal stimulus and the considerations that will need to take place should current conditions change, but respectfully submits this amendment as a strong possible tool to speed up Rhode Island’s recovery from a public health and economic perspective.

If you have any questions regarding this amendment, please feel free to call me at 222-6300.

TAM: 21-Amend-13

cc: Sharon Reynolds Ferland, House Fiscal Advisor
    Stephen Whitney, Senate Fiscal Advisor
    Jonathan Womer, Director, Office of Management and Budget
ARTICLE 5

RELATING TO CAPITAL DEVELOPMENT PROGRAM

SECTION 1. Proposition to be submitted to the people. -- At the general election to be held on the Tuesday next after the first Monday in November 2020, there shall be submitted to the people (“People”) of the State of Rhode Island (“State”), for their approval or rejection, the following proposition:

"Shall the action of the general assembly, by an act passed at the January 2020 session, authorizing the issuance of bonds, refunding bonds, and temporary notes of the State of Rhode Island for the capital projects and in the amount with respect to each such project listed below be approved, and the issuance of bonds, refunding bonds, and temporary notes authorized in accordance with the provisions of said act?"

Project

(1) Higher Education Facilities Bond $117,300,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and/or temporary notes in an amount not to exceed one hundred seventeen million three hundred thousand dollars ($117,300,000) for capital improvements to higher education facilities, to be allocated as follows:

(a) University of Rhode Island Fine Arts Center $57,300,000

Provides fifty-seven million three hundred thousand dollars ($57,300,000) to fund repairs and construct a new facility on the University of Rhode Island’s Kingston campus in support of the educational needs for the musical, theatrical, visual, and graphic arts disciplines.

(b) Rhode Island College Clarke Science Building Renovation $38,000,000

Provides thirty-eight million dollars ($38,000,000) to reconstruct Clarke Science Building on the campus of Rhode Island College. This project will improve the science and technology laboratories and facilities that support high-demand degree programs critical to the college’s mission of statewide workforce development.
(c) Community College of Rhode Island Renovation and Modernization $12,000,000

Provides twelve million dollars ($12,000,000) to fund restoration and enhancement of academic and student support spaces and other infrastructure on the four campuses of the Community College of Rhode Island (CCRI). Funds will go towards modernizing and renovating facilities, addressing repairs, improving safety and energy efficiency, and replacing outdated technology and equipment used for teaching and learning.

(d) Center for Ocean Innovation $10,000,000

Provides ten million dollars ($10,000,000) for the development of a Center for Ocean Innovation in collaboration with the URI Graduate School of Oceanography, promoting cutting edge education, research and innovation, solidifying Rhode Island’s leadership in the Blue Economy. The funds will support the construction, renovation, attaining and securing of facilities/spaces as well as investment in infrastructure and equipment to support the education and the creation, incubation, exploration, testing, prototyping, piloting, and deployment of undersea and other maritime technologies to create a “Smart Bay”.

(2) Beach, Clean Water and Green Bond $64,000,000 $69,000,000

Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and/or temporary notes in an amount not to exceed sixty-four million dollars ($64,000,000) sixty-nine million dollars ($69,000,000) for environmental and recreational purposes, to be allocated as follows:

(a) State Beaches, Parks, and Campgrounds $35,000,000 $40,000,000

Provides thirty-five million dollars ($35,000,000) forty million dollars ($40,000,000) for major capital improvements to state beaches, parks, and campgrounds, including the design, development, expansion, and renovation of new and existing facilities. Improvements may include a new facility at Goddard Park beach; recreational facility improvements, I-195 Park infrastructure development, upgraded facilities including new bathrooms at Roger Wheeler State beach,
Scarborough State beach, Misquamicut State beach, and Brenton Point; and campground
improvements including new bathroom facilities and utility upgrades.

(b) Local Recreation Projects $4,000,000
Provides four million dollars ($4,000,000) for up to eighty percent (80%) matching grants
for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
growing needs for active outdoor recreational facilities.

(c) Natural and Working Lands $3,000,000
Provides three million dollars ($3,000,000) to protect working forest and farm lands
throughout Rhode Island including through the purchase of forest conservation easements, the
purchase of development rights by the Agricultural Lands Preservation Commission, and the State
Farmland Access Program.

(d) Clean Water and Drinking Water $15,000,000
Provides fifteen million dollars ($15,000,000) for clean water and drinking water
infrastructure improvements. Clean water projects include wastewater collection and treatment
upgrades, stormwater resilience improvements, combined sewer overflow initiatives, water
pollution control, and other water quality protection activities. Drinking water projects include
construction of and improvements to water supply, treatment, and distribution infrastructure.

(e) Municipal Resiliency $7,000,000
Provides seven million dollars ($7,000,000) for up to seventy-five percent (75%) matching
grants to municipalities for restoring and/or improving resiliency of infrastructure, vulnerable
coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage
significant matching funds to support local programs to improve community resiliency, and public
safety in the face of increased flooding, major storm events, and environmental degradation.

(3) Housing and Infrastructure Bond $87,500,000 $310,500,000
Approval of this question will allow the State of Rhode Island to issue general obligation bonds, refunding bonds, and/or temporary notes in an amount not to exceed eighty-seven million five hundred thousand dollars ($87,500,000) to housing, facility improvement and infrastructure projects, to be allocated as follows:

(a) Housing and Community Opportunity

Provides twenty-five million dollars ($25,000,000) to increase the availability of affordable housing and support community revitalization through the redevelopment of existing structures, and new construction, property acquisition, and investment in local infrastructure or assets.

(b) Health Laboratories

Provides one hundred seven million dollars ($107,000,000) to fund new health laboratories and facilities to provide enhanced public health services including services for disease prevention and management, testing and monitoring, and investigations; to support healthcare/hospital systems and research institutions, enterprises and efforts in order to diagnose illness, cure disease, and pursue medical innovations; and to advance the public health, as well as the bioscience-related economy.

(c) Industrial Reshoring and Site Development

Provides twenty-one million five hundred thousand dollars ($21,500,000) for industrial site and offshore wind-related development, reshoring of jobs, and economic revitalization. The funds will be allocated competitively to acquire, assemble, or prepare sites for the development of facilities for purposes related to manufacturing, assembly, distribution, production, processing, and other job-producing commercial activities. Funds may also be used for infrastructure, including municipal and port infrastructure, to catalyze development.
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(c) (d) Port of Davisville Infrastructure at Quonset $20,000,000 $31,000,000

Provides twenty thirty-one million dollars ($20,31,000,000) for infrastructure projects that will support the continued growth and modernization at the Port of Davisville. This investment will finance the Port master plan, including construction of a new Pier at Terminal Five, the rehabilitation of Pier One and Pier Two, and dredging. These projects will position Davisville to accommodate offshore wind project cargo and logistics staging while continuing to support the Port’s existing businesses.

(e) Transportation Infrastructure State Match $30,000,000

Provides thirty million dollars ($30,000,000) to match federal funds and provide direct funding for needed and planned improvements to the state’s highways, roads, and bridges. This investment will create jobs by continuing needed construction throughout the state.

(d) (f) Early Childhood Care and Education Capital Fund $15,000,000

Provides fifteen million dollars ($15,000,000) for physical improvements to and development of licensed early childhood care and education facilities through the Early Childhood Care and Education Capital Fund. Quality early childhood education and childcare is necessary for a robust economy in support of parents in the workplace and as foundation to the academic success of Rhode Island’s children. In 2019, only twenty percent (20%) of the physical space licensed for the State’s four-year-old population meets the State definition of quality, and there are eighteen (18) cities and towns that do not have any infant/toddler care options. These funds will support greater access to safe, high-quality early learning opportunities for Rhode Island children.

(e) (g) Cultural Arts and the Economy Grant Program $5,000,000

Provides five million dollars ($5,000,000) in funding for 1:1 matching grants to continue the Cultural Arts and the Economy Grant program administered by the Rhode Island State Council on the Arts (RISCA) for capital improvement, preservation and renovation projects for public and
nonprofit artistic, performance centers, museums and cultural art centers located throughout the State of Rhode Island.

1. Trinity Repertory Company $2,500,000
   For the Lederer Theater and the Pell Chafee Performance Center, both in Providence, used for performance facilities, educational instruction, production and administration.

2. Rhode Island Philharmonic $1,500,000
   For the Carter Center for Music Education and Performance in East Providence, used for music teaching, learning, performance and administration.

3. Other funds to be allocated by RISCA $1,000,000
   For 1:1 matching grants to be allocated by RISCA to 501(c)(3) nonprofit cultural organizations which lease or own their performance space, and for RISCA expenses in administering the program. In awarding such grants RISCA shall consider financial need, the availability or actual expenditure of matching funds for the projects, available gifts or grants for projects, the amount of square footage to be improved, the geographical location and characteristics of audiences benefitted.

(f) (h) State Preservation Grants Program $1,000,000
   Provides one million dollars ($1,000,000) in funding to cities, towns and nonprofit organizations to preserve, renovate and improve public and nonprofit historic sites, museums, and cultural art centers located in historic structures in the State of Rhode Island to be administered by the Rhode Island Historical Preservation and Heritage Commission.

SECTION 2. **Ballot labels and applicability of general election laws.** -- The Secretary of State shall prepare and deliver to the State Board of Elections ballot labels for each of the projects provided for in Section 1 hereof with the designations "approve" or "reject" provided next to the description of each such project to enable voters to approve or reject each such proposition. The general election laws, so far as consistent herewith, shall apply to this proposition.
SECTION 3. Approval of projects by people. -- If a majority of the People voting on the proposition in Section 1 hereof shall vote to approve any project stated therein, said project shall be deemed to be approved by the People. The authority to issue bonds, refunding bonds and/or temporary notes of the State shall be limited to the aggregate amount for all such projects as set forth in the proposition, which has been approved by the People.

SECTION 4. Bonds for capital development program. -- The General Treasurer is hereby authorized and empowered, with the approval of the Governor, and in accordance with the provisions of this Act to issue capital development bonds in serial form, in the name of and on behalf of the State of Rhode Island, in amounts as may be specified by the Governor in an aggregate principal amount not to exceed the total amount for all projects approved by the People and designated as "capital development loan of 2020 bonds." Provided, however, that the aggregate principal amount of such capital development bonds and of any temporary notes outstanding at any one time issued in anticipation thereof pursuant to Section 7 hereof shall not exceed the total amount for all such projects approved by the People. All provisions in this Act relating to "bonds" shall also be deemed to apply to "refunding bonds."

Capital development bonds issued under this Act shall be in denominations of one thousand dollars ($1,000) each, or multiples thereof, and shall be payable in any coin or currency of the United States which at the time of payment shall be legal tender for public and private debts. These capital development bonds shall bear such date or dates, mature at specified time or times, but not mature beyond the end of the twentieth (20th) State fiscal year following the fiscal year in which they are issued; bear interest payable semi-annually at a specified rate or different or varying rates; be payable at designated time or times at specified place or places; be subject to express terms of redemption or recall, with or without premium; be in a form, with or without interest coupons attached; carry such registration, conversion, reconversion, transfer, debt retirement, acceleration and other provisions as may be fixed by the General Treasurer, with the approval by the Governor,
upon each issue of such capital development bonds at the time of each issue. Whenever the
Governor shall approve the issuance of such capital development bonds, the Governor’s approval
shall be certified to the Secretary of State; the bonds shall be signed by the General Treasurer and
countersigned by Secretary of State and shall bear the seal of the State. The signature approval of
the Governor shall be endorsed on each bond.

SECTION 5. Refunding bonds for 2020 capital development program. -- The General
Treasurer is hereby authorized and empowered, with the approval of the Governor, and in
accordance with the provisions of this Act, to issue bonds to refund the 2020 capital development
program bonds, in the name of and on behalf of the state, in amounts as may be specified by the
Governor in an aggregate principal amount not to exceed the total amount approved by the People,
to be designated as "capital development program loan of 2020 refunding bonds" (hereinafter
"Refunding Bonds").

The General Treasurer with the approval of the Governor shall fix the terms and form of
any Refunding Bonds issued under this Act in the same manner as the capital development bonds
issued under this Act, except that the Refunding Bonds may not mature more than twenty (20) years
from the date of original issue of the capital development bonds being refunded.

The proceeds of the Refunding Bonds, exclusive of any premium and accrual interest and
net the underwriters’ cost, and cost of bond issuance, shall, upon their receipt, be paid by the
General Treasurer immediately to the paying agent for the capital development bonds which are to
be called and prepaid. The paying agent shall hold the Refunding Bond proceeds in trust until they
are applied to prepay the capital development bonds. While such proceeds are held in trust, the
proceeds may be invested for the benefit of the State in obligations of the United States of America
or the State of Rhode Island.

If the General Treasurer shall deposit with the paying agent for the capital development
bonds the proceeds of the Refunding Bonds, or proceeds from other sources, amounts that, when
invested in obligations of the United States or the State of Rhode Island, are sufficient to pay all
principal, interest, and premium, if any, on the capital development bonds until these bonds are
called for prepayment, then such capital development bonds shall not be considered debts of the
State of Rhode Island for any purpose starting from the date of deposit of such moneys with the
paying agent. The Refunding Bonds shall continue to be a debt of the State until paid.

The term "bond" shall include "note," and the term "refunding bonds" shall include
"refunding notes" when used in this Act.

SECTION 6. Proceeds of capital development program. -- The General Treasurer is
directed to deposit the proceeds from the sale of capital development bonds issued under this Act,
exclusive of premiums and accrued interest and net the underwriters’ cost, and cost of bond
issuance, in one or more of the depositories in which the funds of the State may be lawfully kept in
special accounts (hereinafter cumulatively referred to as "such capital development bond fund")
appropriately designated for each of the projects set forth in Section 1 hereof which shall have been
approved by the People to be used for the purpose of paying the cost of all such projects so
approved.

All monies in the capital development bond fund shall be expended for the purposes
specified in the proposition provided for in Section 1 hereof under the direction and supervision of
the Director of Administration (hereinafter referred to as "Director"). The Director or his or her
designee shall be vested with all power and authority necessary or incidental to the purposes of this
Act, including but not limited to, the following authority: (a) to acquire land or other real property
or any interest, estate or right therein as may be necessary or advantageous to accomplish the
purposes of this Act; (b) to direct payment for the preparation of any reports, plans and
specifications, and relocation expenses and other costs such as for furnishings, equipment
designing, inspecting and engineering, required in connection with the implementation of any
projects set forth in Section 1 hereof; (c) to direct payment for the costs of construction,
rehabilitation, enlargement, provision of service utilities, and razing of facilities, and other
improvements to land in connection with the implementation of any projects set forth in Section 1
hereof; and (d) to direct payment for the cost of equipment, supplies, devices, materials and labor
for repair, renovation or conversion of systems and structures as necessary for the 2020 capital
development program bonds or notes hereunder from the proceeds thereof. No funds shall be
expended in excess of the amount of the capital development bond fund designated for each project
authorized in Section 1 hereof. With respect to the bonds and temporary notes described in Section
1, the proceeds shall be used for the following purposes:

Question 1, relating to bonds in the amount of one hundred seventeen million three hundred
thousand dollars ($117,300,000) to provide funding for higher education facilities to be allocated as
follows:

(a) University of Rhode Island Fine Arts Center                      $57,300,000

Provides fifty-seven million three hundred thousand dollars ($57,300,000) to fund repairs
and construct a new facility on the University of Rhode Island’s Kingston campus in support of the
educational needs for the musical, theatrical, visual, and graphic arts disciplines.

(b) Rhode Island College Clarke Science Building Renovation      $38,000,000

Provides thirty-eight million dollars ($38,000,000) to reconstruct Clarke Science Building
on the campus of Rhode Island College. This project will improve the science and technology
laboratories and facilities that support high-demand degree programs critical to the college’s
mission of statewide workforce development.

(c) Community College of Rhode Island Renovation and Modernization  $12,000,000

Provides twelve million dollars ($12,000,000) to fund restoration and enhancement of
academic and student support spaces and other infrastructure on the four campuses of the
Community College of Rhode Island (CCRI). Funds will go towards modernizing and renovating
facilities, addressing repairs, improving safety and energy efficiency, and replacing outdated
technology and equipment used for teaching and learning.

(d) Center for Ocean Innovation

Provides ten million dollars ($10,000,000) for the development of a Center for Ocean
Innovation in collaboration with the URI Graduate School of Oceanography, promoting cutting
dge education, research and innovation, solidifying Rhode Island’s leadership in the Blue
Economy. The funds will support the construction, renovation, attaining and securing of
facilities/spaces as well as investment in infrastructure and equipment to support the education and
the creation, incubation, exploration, testing, prototyping, piloting, and deployment of undersea and
other maritime technologies to create a “Smart Bay”.

Question 2, relating to bonds in the amount not to exceed sixty-four million dollars
($64,000,000) of sixty-nine million dollars ($69,000,000) for environmental and recreational
purposes, to be allocated as follows:

(a) State Beaches, Parks, and Campgrounds

Provides thirty-five million dollars ($35,000,000) forty million dollars ($40,000,000) for
major capital improvements to state beaches, parks, and campgrounds, including the design,
development, expansion, and renovation of new and existing facilities. Improvements may include
a new facility at Goddard Park beach; recreational facility improvements, I-195 Park infrastructure
development, upgraded facilities including new bathrooms at Roger Wheeler State beach,
Scarborough State beach, Misquamicut State beach, and Brenton Point; and campground
improvements including new bathroom facilities and utility upgrades.

(b) Local Recreation Projects

Provides four million dollars ($4,000,000) for up to eighty percent (80%) matching grants
for municipalities to acquire, develop, or rehabilitate local recreational facilities to meet the
growing needs for active outdoor recreational facilities.
(c) Natural and Working Lands $3,000,000

Provides three million dollars ($3,000,000) to protect working forest and farm lands throughout Rhode Island including through the purchase of forest conservation easements, the purchase of development rights by the Agricultural Lands Preservation Commission, and the State Farmland Access Program.

(d) Clean Water and Drinking Water $15,000,000

Provides fifteen million ($15,000,000) for clean water and drinking water infrastructure improvements. Clean water projects include wastewater collection and treatment upgrades, stormwater resilience improvements, combined sewer overflow initiatives, water pollution control, and other water quality protection activities. Drinking water projects include construction of and improvements to water supply, treatment, and distribution infrastructure.

(e) Municipal Resiliency $7,000,000

Provides seven million dollars ($7,000,000) for up to seventy-five percent (75%) matching grants to municipalities for restoring and/or improving resiliency of infrastructure, vulnerable coastal habitats, and restoring rivers and stream floodplains. These funds are expected to leverage significant matching funds to support local programs to improve community resiliency, and public safety in the face of increased flooding, major storm events, and environmental degradation.

Question 3, relating to bonds in the amount of eighty-seven million five hundred thousand dollars ($87,500,000) three hundred ten million five hundred thousand dollars ($310,500,000) to housing, facility improvement and infrastructure projects, to be allocated as follows:

a) Housing and Community Opportunity $25,000,000 $65,000,000

Provides twenty-five million dollars ($25,000,000) sixty-five million dollars ($65,000,000) to increase the availability of affordable housing and support community revitalization through the redevelopment of existing structures, new construction, property acquisition, and investment in local infrastructure or assets.
(b) Health Laboratories  $107,000,000

Provides one hundred seven million dollars ($107,000,000) to fund new health laboratories and facilities to provide enhanced public health services including services for disease prevention and management, testing and monitoring, and investigations; to support healthcare/hospital systems and research institutions, enterprises and efforts in order to diagnose illness, cure disease, and pursue medical innovations; and to advance the public health, as well as the bioscience-related economy.

(b) (c) Industrial Reshoring and Site Development  $21,500,000  $56,500,000

Provides twenty-one million five hundred thousand dollars ($21,500,000) fifty-six million five hundred thousand dollars ($56,500,000) for industrial site and offshore wind-related development, reshoring of jobs, and economic revitalization. The funds will be allocated competitively to acquire, assemble, or prepare sites for the, and development of facilities for purposes related to manufacturing, assembly, distribution, production, processing, and other job-producing commercial activities. Funds may also be used for infrastructure, including municipal and port infrastructure, to catalyze development.

(e) (d) Port of Davisville Infrastructure at Quonset  $20,000,000  $31,000,000

Provides twenty-thirty-one million dollars ($2031,000,000) for infrastructure projects that will support the continued growth and modernization at the Port of Davisville. This investment will finance the Port master plan, including construction of a new Pier at Terminal Five, the rehabilitation of Pier One and Pier Two, and dredging. These projects will position Davisville to accommodate offshore wind project cargo and logistics staging while continuing to support the Port’s existing businesses.

(e) Transportation Infrastructure State Match  $30,000,000
Provides thirty million dollars ($30,000,000) to match federal funds and provide direct
funding for needed and planned improvements to the state’s highways, roads, and bridges. This
investment will create jobs by continuing needed construction throughout the state.

(d) (f) Early Childhood Care and Education Capital Fund $15,000,000

Provides fifteen million dollars ($15,000,000) for physical improvements to and
development of early childhood education facilities through the Early Childhood Care and
Education Capital Fund. Quality early childhood education and childcare is necessary for a robust
economy in support of parents in the workplace and as foundation to the academic success of
Rhode Island’s children. In 2019, only twenty percent (20%) of the physical space licensed for the
State’s four-year-old population meets the State definition of quality, and there are eighteen (18)
cities and towns that do not have any infant/toddler care options. These funds will support greater
access to safe, high-quality early learning opportunities for Rhode Island children.

(e) (g) Cultural Arts and the Economy Grant Program $5,000,000

Provides five million dollars ($5,000,000) in funding for 1:1 matching grants to continue
the Cultural Arts and the Economy Grant program administered by the Rhode Island State Council
on the Arts (RISCA) for capital improvement, preservation and renovation projects for public and
nonprofit artistic, performance centers and cultural art centers located throughout the State of
Rhode Island. Contracts for construction entered into, on, or after November 6, 2014 shall be in
compliance with § 37-13-1 et seq. (prevailing wage); however, contracts entered into prior to
November 6, 2014 shall not be subject to this requirement.

1. Trinity Repertory Company $2,500,000

For the Lederer Theater, in Providence, used for performance facilities, educational
instruction, production and administration.

2. Rhode Island Philharmonic $1,500,000
For the Carter Center for Music Education and Performance in East Providence, used for
music teaching, learning, performance and administration.

3. Other funds to be allocated by RISCA $1,000,000

For 1:1 matching grants to be allocated by RISCA to 501(c)(3) nonprofit cultural
organizations which lease or own their performance space, and for RISCA expenses in
administering the program. In awarding such grants RISCA shall consider financial need, the
availability or actual expenditure of matching funds for the projects, available gifts or grants for
projects, the amount of square footage to be improved, the geographical location and characteristics
of audiences benefitted.

(For) State Preservation Grants Program $1,000,000

Provides one million dollars ($1,000,000) in funding to cities, towns and nonprofit
organizations to preserve, renovate and improve public and nonprofit historic sites, museums, and
cultural art centers located in historic structures in the State of Rhode Island to be administered by
the Rhode Island Historical Preservation and Heritage Commission.

SECTION 7. Sale of bonds and notes. — Any bonds or notes issued under the authority of
this Act shall be sold at not less than the principal amount thereof, in such mode and on such terms
and conditions as the General Treasurer, with the approval of the Governor, shall deem to be in the
best interests of the State.

Any premiums and accrued interest, net of the cost of bond issuance and underwriter’s
discount, which may be received on the sale of the capital development bonds or notes shall
become part of the Municipal Road and Bridge Revolving Fund of the State, unless directed by
federal law or regulation to be used for some other purpose.

In the event that the amount received from the sale of the capital development bonds or
notes exceeds the amount necessary for the purposes stated in Section 6 hereof, the surplus may be
used to the extent possible to retire the bonds as the same may become due, to redeem them in
accordance with the terms thereof or otherwise to purchase them as the General Treasurer, with the
approval of the Governor, shall deem to be in the best interests of the state.

Any bonds or notes issued under the provisions of this Act and coupons on any capital
development bonds, if properly executed by the manual or electronic signatures of officers of the
State in office on the date of execution, shall be valid and binding according to their tenor,
notwithstanding that before the delivery thereof and payment therefor, any or all such officers shall
for any reason have ceased to hold office.

SECTION 8. Bonds and notes to be tax exempt and general obligations of the State. --
All bonds and notes issued under the authority of this Act shall be exempt from taxation in the State
and shall be general obligations of the State, and the full faith and credit of the State is hereby
pledged for the due payment of the principal and interest on each of such bonds and notes as the
same shall become due.

SECTION 9. Investment of moneys in fund. -- All moneys in the capital development
fund not immediately required for payment pursuant to the provisions of this act may be invested
by the investment commission, as established by Chapter 10 of Title 35, entitled “State Investment
Commission,” pursuant to the provisions of such chapter; provided, however, that the securities in
which the capital development fund is invested shall remain a part of the capital development fund
until exchanged for other securities; and provided further, that the income from investments of the
capital development fund shall become a part of the general fund of the State and shall be applied to
the payment of debt service charges of the State, unless directed by federal law or regulation to be
used for some other purpose, or to the extent necessary, to rebate to the United States treasury any
income from investments (including gains from the disposition of investments) of proceeds of
bonds or notes to the extent deemed necessary to exempt (in whole or in part) the interest paid on
such bonds or notes from federal income taxation.
SECTION 10. **Appropriation.** -- To the extent the debt service on these bonds is not otherwise provided, a sum sufficient to pay the interest and principal due each year on bonds and notes hereunder is hereby annually appropriated out of any money in the treasury not otherwise appropriated.

SECTION 11. **Advances from general fund.** -- The General Treasurer is authorized, with the approval of the Director and the Governor, in anticipation of the issue of notes or bonds under the authority of this Act, to advance to the capital development bond fund for the purposes specified in Section 6 hereof, any funds of the State not specifically held for any particular purpose; provided, however, that all advances made to the capital development bond fund shall be returned to the general fund from the capital development bond fund forthwith upon the receipt by the capital development fund of proceeds resulting from the issue of notes or bonds to the extent of such advances.

SECTION 12. **Federal assistance and private funds.** -- In carrying out this act, the Director, or his or her designee, is authorized on behalf of the State, with the approval of the Governor, to apply for and accept any federal assistance which may become available for the purpose of this Act, whether in the form of loan or grant or otherwise, to accept the provision of any federal legislation therefor, to enter into, act and carry out contracts in connection therewith, to act as agent for the federal government in connection therewith, or to designate a subordinate so to act. Where federal assistance is made available, the project shall be carried out in accordance with applicable federal law, the rules and regulations thereunder and the contract or contracts providing for federal assistance, notwithstanding any contrary provisions of State law. Subject to the foregoing, any federal funds received for the purposes of this Act shall be deposited in the capital development bond fund and expended as a part thereof. The Director or his or her designee may also utilize any private funds that may be made available for the purposes of this Act.
SECTION 13. **Effective Date.** -- Sections 1, 2, 3, 11, 12 and this Section 13 of this article shall take effect upon passage. The remaining sections of this article shall take effect when and if the State Board of Elections shall certify to the Secretary of State that a majority of the qualified electors voting on the proposition contained in Section 1 hereof have indicated their approval of all or any projects thereunder.