



OFFICE OF MANAGEMENT & BUDGET

Jonathan Womer, Director

One Capitol Hill


Office: (401) 574-8430

Providence, RI 02908-5890

Fax: (401) 222-6436

MEMORANDUM

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee
The Honorable Ryan W. Pearson
Chairman, Senate Finance Committee

From: Jonathan Womer
Director, Office of Management & Budget 

Date: June 4, 2021

Subject: **Amendments to the FY 2022 Appropriations Act (21-H-6122)**

The Governor requests several amendments be made to the FY 2022 Appropriations Act.

The Governor requests that an amendment be made to the FY 2022 Appropriations Act to authorize new borrowing to purchase and configure an Enterprise Resource Planning information technology system. This request accelerates the timeline of the Governor's original request by one year and is made in recognition that per recent federal guidance it appears increasingly unlikely that this project could be financed with stimulus funds.

The Governor requests that an amendment be made to the FY 2022 Appropriations Act to authorize new borrowing for the Department of Public Safety to construct a new State Police Southern Barracks. This project accelerates the timeline for this investment, which the Governor's original request had planned to be considered for general obligation debt financing by voters in a November 2022 referendum. This request is made in recognition that per recent federal guidance it appears increasingly unlikely that this project could be financed with stimulus funds.

The Governor requests that a new article entitled "Relating to Lease Agreements for Leased Office and Operating Space" be added to the FY 2022 Appropriations Act. The new article is a joint resolution which authorizes the State Properties Committee to enter into multi-year lease agreements on behalf of various agencies.

Please feel free to contact me with any questions about these requested changes.

JW:21-Amend-12

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
James E. Thorsen, Director of Administration
Joseph Codega Jr., Deputy Budget Officer

H 6122 Relating to Making Appropriations in Support of FY 2022

Article 4 – Relating to Debt Management Act Joint Resolutions

NEW SECTION 7. Add new Section 7 before Page 76, Line 1, and renumber subsequent sections:

SECTION 7. *Enterprise Resource Planning Information Technology Improvements*

WHEREAS, The funds generated from the sale of State property to be deposited into the information technology investment fund will be insufficient to fund the Enterprise Resource Planning system and application upgrades that are required and anticipated by the State in the immediate future; and

WHEREAS, The projects which make up the Enterprise Resource Planning System that are not able to be financed through the information technology investment fund include, but are not limited to: department of administration statewide human resources, payroll, grants management, and financial information software applications; and

WHEREAS, Modernizing the existing enterprise software applications will greatly reduce risk and increase security, enable new capabilities, and address significant repeat audit findings from the office of the auditor general; and

WHEREAS, The total project costs associated with these information technology improvements are estimated to be sixty eight million seven hundred thousand dollars (\$68,700,000). Of those project costs, eighteen million nine hundred thousand dollars (\$18,900,000) will be financed from the information technology internal service fund. The balance of forty-nine million eight hundred thousand (\$49,800,000) may be financed through two series of certificates of participation. Thirty-three million eight hundred thousand dollars (\$33,800,000) may be issued in fiscal year 2022 with a term of seven (7) years, and sixteen million dollars (\$16,000,000) may be issued in fiscal year 2023 with a term of seven (7) years. Total debt service on the bonds is not expected to exceed fifty-five million five hundred thousand dollars (\$55,500,000) in the aggregate based on an estimated average interest rate of two and seventy-five

hundredths percent (2.75%). The payments would be financed within the department of administration from general revenue appropriations; now, therefore be it

RESOLVED, That this general assembly hereby approves the issuance of certificates of participation in an amount not to exceed forty-nine million eight hundred thousand dollars (\$49,800,000) for the provision of information technology improvements; and be it further

RESOLVED, That this joint resolution shall take effect immediately upon its passage by the General Assembly.

NEW SECTION 8. Add new Section 8 before Page 76, Line 1, and renumber subsequent sections:

SECTION 8. *Department of Public Safety – Southern Barracks*

WHEREAS, After Master Planning Services for facilities operated, controlled and occupied by the Rhode Island state police (“Division”) and Feasibility Study Services for the Wickford, Hope Valley and Portsmouth Barracks was conducted; and

WHEREAS, The Master Planning Committee comprised of contracted Architectural & Engineering Design Services, members of Rhode Island state police, the division of capital asset management and maintenance, and the office of management and budget collaborated; and

WHEREAS, The Master Plan and Feasibility Study indicates that improvements of the current Wickford and Hope Valley Barracks are not feasible as they were built in the 1930s, are undersized, are no longer located along the main thoroughfares of the State, are in poor condition with environmental health issues, are not Americans with Disability Act (ADA) and code compliant, have inadequate security and technology infrastructure and are expensive to operate and maintain; and,

WHEREAS, The Master Plan recommends consolidation of services provided by the Wickford and Hope Valley barracks by constructing one consolidated modern southern barracks at approximately thirty thousand (30,000) square feet to accommodate fifty (50) sworn Division personnel located in a centralized location best suitable for deployment of personnel and accessibility to citizens and motorists; and

WHEREAS, The project costs associated with the construction of a new, modern southern barracks for the Division are estimated to be twenty-eight million one hundred thousand dollars (\$28,100,000). The total payments on the State's obligation over fifteen (15) years are projected to be thirty-four million seven hundred thousand dollars (\$34,700,000), assuming an estimated average interest rate of two and seventy-five hundredths percent (2.75%). The payments would be financed within the department of administration from general revenue appropriations; now, therefore, be it

RESOLVED, That the General Assembly hereby approves the issuance of certificates of participation in an amount not to exceed twenty-eight million one hundred thousand dollars (\$28,100,000) for the construction of a southern barracks at the site determined to be best suitable by the Master Plan Committee; and be it further

RESOLVED, That this Joint Resolution shall take effect immediately upon its passage by this General Assembly.

New Article – Relating to Lease Agreements for Leased Office and Operating Space

SECTION 1. This article consists of a Joint Resolution that is submitted pursuant to Rhode Island General Laws §37-6-2 authorizing various lease agreements for office space and operating space.

SECTION 2. Department of Revenue, 238 East Main Road, Middletown.

WHEREAS, The Department of Revenue currently occupies approximately 4,200 square feet at 238 East Main Road in the Town of Middletown; and

WHEREAS, the Rhode Island Department of Revenue currently has a current lease agreement, in full force and effect, with Kenneth J. Alves for approximately 4,200 square feet of office space located at 238 East Main Road, Middletown; and

WHEREAS, the existing lease expires on October 31, 2021 and the Department of Revenue wishes to exercise its option to renew this lease for an additional five (5)-year term; and

WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Department of Revenue attests to the fact that there are no clauses in the lease agreement with Kenneth J. Alves that would interfere with the Rhode Island Department of Revenue lease agreement or use of the facility; and

WHEREAS, the leased premises provide a critical regional location for the offices of the Department of Revenue from which the Department can serve the needs of Middletown and surrounding Aquidneck Island communities and otherwise fulfill the mission of the Department of Revenue; and

WHEREAS, the annual base rent in the agreement in the current fiscal year, ending June 30, 2021 is \$57,978; and

WHEREAS, the anticipated annual base rent of the agreement in each of the initial five (5) years of the term will not exceed \$63,522; and

WHEREAS, the payment of the annual base rent will be made from funds available to the Department of Revenue for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement between the Department of Revenue and Kenneth J. Alves for leased space located at 238 East Main Road, Middletown; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a term not to exceed five (5) years and an aggregate base rent not to exceed \$317,606; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Revenue, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 3. Department of Corrections, 49 Pavilion Avenue, Providence.

WHEREAS, the Rhode Island Department of Corrections has a current lease agreement, in full force and effect, with WRR Associates, LLC. for approximately 5,086 square feet of office space located at 49 Pavilion Avenue, Providence; and

WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Department of Corrections attests to the fact that there are no clauses in the lease agreement with the WRR Associates, LLC that would interfere with the Rhode Island Department of Corrections lease agreement or use of the facility; and

WHEREAS, the existing lease expires on July 31, 2021 and the Rhode Island Department of Corrections wishes to renew its lease for a term of one and one-half (1.5) years; and

WHEREAS, the annual base rent in the current agreement in the current fiscal year, ending July 31, 2021 is \$108,690; and

WHEREAS, the annual base rent of the agreement in each of the next one and one-half (1.5) years of the term will not exceed \$108,690; and

WHEREAS, the payment of the annual base rent will be made from funds available to the Department of Corrections for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the leased premises will provide a critical location for the offices of the Department of Corrections from which the Department can serve the needs of Providence and surrounding communities and otherwise fulfill the mission of the Department of Corrections; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement between the Department of Corrections and a landlord to be determined, for the office space located at 49 Pavilion Avenue in the City of Providence, Rhode Island; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a term not to exceed one (1) year and six (6) months and an aggregate base rent not to exceed \$163,035; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Corrections, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 4. Commission for Human Rights, 180 Westminster Street, Providence.

WHEREAS, the Commission for Human Rights currently holds a lease agreement with Dorwest Associates, LLC for approximately 9,912 square feet of office space located at 180 Westminster Street in the City of Providence; and

WHEREAS, the State of Rhode Island, acting by and through the Commission for Human Rights, attests to the fact that there are no clauses in the lease agreement with Dorwest Associates, LLC that would interfere with the Commission for Human Rights lease agreement or use of the facility; and

WHEREAS, the current lease expires on August 31, 2021, and the Commission for Human Rights wishes to renew the lease agreement with Dorwest Associates, LLC for an additional five (5) year lease term, commencing on September 1, 2021 and expiring on August 31, 2026; and

WHEREAS, the leased premises provide a central location from which the Commission for Human Rights can serve the needs of state residents and otherwise fulfill the mission of the Commission; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2021 is \$181,410; and

WHEREAS, the annual base rent of the agreement in each of the five years of the term will not exceed \$185,850; and

WHEREAS, the payment of the annual base rent will be made from funds available to the Rhode Island Commission for Human Rights for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Commission For Human Rights and Dorwest Associates, LLC, for the facility located at 180 Westminster Street in the City of Providence; now therefore be it

RESOLVED, that this General Assembly approves the lease agreement, for a term not to exceed five (5) years and an aggregate base rent not to exceed \$929,250; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Executive Director of the Commission for Human Rights, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 5. Ethics Commission, 38-40 Fountain Street, Providence.

WHEREAS, the Rhode Island Ethics Commission currently holds a lease agreement with Gardner Building LLC for approximately 4,535 square feet of office space at 38-40 Fountain Street in the City of Providence; and

WHEREAS, the State of Rhode Island, acting by and through the Ethics Commission, attests to the fact that there are no clauses in the lease agreement with Gardner Building, LLC that would interfere with the Ethics Commission lease agreement or use of the facility; and

WHEREAS, the existing lease expires on November 30, 2021 and the Rhode Island Ethics Commission wishes to exercise its option and renew this lease for a term of ten (10) years; and

WHEREAS, the leased premises will provide a critical regional location for officials of the Rhode Island Ethics Commission from which it can serve the needs of the Rhode Island community and otherwise fulfill the mission of the office; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2021 is \$79,181; and

WHEREAS, the annual additional rent for parking in the current fiscal year, ending June 30, 2021 is \$24,894; and

WHEREAS, the anticipated annual base rent of the agreement in each of the initial five (5) years of the lease term will not exceed \$83,898 and the anticipated annual base rent of the agreement in years six through ten of the lease term will not exceed \$88,433; and

WHEREAS, the anticipated annual additional rent for parking of the agreement in each of the initial five (5) years of the lease term will not exceed \$24,894.00 and the anticipated annual base rent of the agreement in years six through ten of the lease term will not exceed \$24,894.00; and

WHEREAS, the payment of the annual base rent and parking rent will be made from funds available to the Rhode Island Ethics Commission for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement between the Rhode Island Ethics Commission and Garner Building, LLC, for office space located at 40 Fountain Street, in the City of Providence, Rhode Island; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a lease term not to exceed ten years and an aggregate base rent not to exceed \$861,650 and an aggregate additional rent for parking not to exceed \$284,940; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Secretary of the Rhode Island Ethics Commission, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 6. Department of Human Services, Office of Rehabilitative Services, 40 Fountain Street, Providence.

WHEREAS, the Rhode Island Department of Human Services (Office of Rehabilitative Services) currently has a current lease agreement, in full force and effect, with the Gardner Building, LLC for approximately 27,680 square feet of office space located at 40 Fountain Street, Providence; and

WHEREAS, the State of Rhode Island, acting by and through the Department of Human Services (Office of Rehabilitative Services), attests to the fact that there are no clauses in the lease agreement with Gardner Building, LLC that would interfere with the Department of Human Services (Office of

Rehabilitative Services) Department of Human Services (Office of Rehabilitative Services) lease agreement or use of the facility; and

WHEREAS, the existing lease expires on November 30, 2021 and the Department of Human Services (Office of Rehabilitative Services) wishes to exercise its option and renew this lease for a term of ten (10) years.

WHEREAS, the leased premises will provide a critical regional location for officials of the Department of Human Services (Office of Rehabilitative Services) from which it can serve the needs of the Rhode Island community and otherwise fulfill the mission of the office; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2021 is \$483,293; and

WHEREAS, the annual additional rent for parking in the current fiscal year, ending June 30, 2021 is \$198,000; and

WHEREAS, the anticipated annual base rent of the agreement in each of the initial five (5) years of the term will not exceed \$512,808 and the anticipated annual base rent in years six through ten of the term will not exceed \$539,760; and

WHEREAS, the anticipated annual additional rent for parking of the agreement in each of the initial five (5) years of the lease term will not exceed \$198,000 and the anticipated annual base rent of the agreement in years six through ten of the lease term will not exceed \$198,000; and

WHEREAS, the payment of the annual base rent and parking rent will be made from funds available to the Department of Human Services (Office of Rehabilitative Services) for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, The State Properties Committee now respectfully requests the approval of the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement between the Department of Human Services (Office of Rehabilitative Services) and Garner Building, LLC, for office space located at 40 Fountain Street , in the city of Providence, Rhode Island; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a lease term not to exceed ten (10) years and an aggregate base rent not to exceed \$5,259,200 and an aggregate additional rent for parking not to exceed \$1,980,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the Governor, the Secretary of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 7. Department of Human Services, Office of Disability Determination Services, 40 Fountain Street, Providence.

WHEREAS, the Rhode Island Department of Human Services (Office of Disability Determination Services) currently has a current lease agreement, in full force and effect, with the Gardner Building, LLC for approximately 16,024 square feet of office space located at 40 Fountain Street, Providence which will expire on November 30, 2021; and

WHEREAS, the State of Rhode Island, acting by and through the Department of Human Services (Office of Disability Determination Services), attests to the fact that there are no clauses in the lease agreement with Gardner Building, LLC that would interfere with the Department of Human Services (Office of Disability Determination Services) lease agreement or use of the facility; and

WHEREAS, the existing lease expires on November 30, 2021 and the Department of Human Services (Office of Disability Determination Services) wishes to exercise its option and renew this lease for a term of ten (10) years.

WHEREAS, the leased premises will provide a critical regional location for officials of the Department of Human Services (Office of Disability Determination Services) from which it can serve the needs of the Rhode Island community and otherwise fulfill the mission of the office; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2021 is \$279,779; and

WHEREAS, the annual additional rent for parking in the current fiscal year, ending June 30, 2021 is \$108,000; and

WHEREAS, the anticipated annual base rent of the agreement in each of the initial five (5) years of the term will not exceed \$296,444 and the anticipated annual base rent of the agreement in years six through ten will not exceed \$312,468; and

WHEREAS, the anticipated annual additional rent for parking of the agreement in each of the initial five (5) years of the lease term will not exceed \$108,000 and the anticipated annual base rent of the agreement in years six through ten of the lease term will not exceed \$108,000; and

WHEREAS, the payment of the annual base rent and parking rent will be made from funds available to the Department of Human Services (Office of Disability Determination Services) for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the Rhode Island House of Representatives and the Rhode Island Senate for the lease agreement between the Department of Human Services (Office of Disability Determination Services) and Gardner Building, LLC, for office space located at 40 Fountain Street, in the city of Providence, Rhode Island; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a lease term not to exceed ten years and an aggregate base rent not to exceed \$3,044,560 and an aggregate additional rent for parking not to exceed \$1,089,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Secretary of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 8. Department of Human Services, 249 Roosevelt Avenue, Pawtucket.

WHEREAS, the Department of Human Services holds a current lease agreement, in full force and effect, with PUI O, Inc. for 24,400 square feet of space located at 249 Roosevelt Avenue in the City of Pawtucket; and

WHEREAS, the current lease expires on July 31, 2021 and the Department of Human Services wishes to renew the lease agreement with PUI O, Inc. for a period of ten (10) years; and

WHEREAS, the State of Rhode Island, acting by and through the Department of Human Services, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that would interfere with the Department of Human Services lease agreement or use of the facility; and

WHEREAS, the leased premises provide a regional location from which the Department of Human Services can serve the needs of the City of Pawtucket and its surrounding communities and otherwise further fulfill the mission of the Department; and

WHEREAS, the annual rent (includes systems furniture throughout leased premises and access to 190 parking spaces) in the agreement in the current fiscal year, ending June 30, 2021 is \$453,598; and

WHEREAS, the annual base rent (includes systems furniture throughout leased premises and access to 190 parking spaces) shall not exceed \$453,598 for the initial three (3) years of the lease term, \$441,169 for the next three (3) years and six (6) months of the lease term and \$456,610 for the final three (3) years and six (6) months of the lease term.; and

WHEREAS, the payment of the annual base rent will be made from funds available to the Department of Human Services for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Human Services and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of Pawtucket; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a lease term not to exceed ten years and an aggregate base rent not to exceed \$4,503,019; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 9. Department of Human Services, 77 Dorrance Street, Providence.

WHEREAS, the Department of Human Services holds a current lease agreement, in full force and effect, with 77 Dorrance, LLC for 25,812 square feet of space located at 77 Dorrance Street in the City of Providence; and

WHEREAS, the current lease expires on August 31, 2021 and the Department of Human Services wishes to renew the lease agreement with 77 Dorrance, LLC for a period of five (5) years; and

WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Department of Human Services, attests to the fact that there are no clauses in the lease agreement with 77 Dorrance, LLC that would interfere with the Department of Human Services lease agreement or use of the facility; and

WHEREAS, the leased premises provide a central location from which the Department of Human Services can serve the needs of the Rhode Island community and otherwise further and fulfill the mission of the Department; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2021 is \$395,791; and

WHEREAS, the anticipated annual base rent (includes janitorial services) in each of the five (5) years of the new lease term is not to exceed \$412,992; and

WHEREAS, the payment of the annual base rent will be made from funds available to the Department of Human Services for the payments of rental and lease costs based on annual appropriations made by the General Assembly; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Human Services and

77 Dorrance, LLC, for the facility located at 77 Dorrance Street in the City of Providence; now therefore be it

RESOLVED, that this General Assembly of the State of Rhode Island hereby approves the lease agreement, for a lease term not to exceed five (5) years and an aggregate base rent not to exceed \$2,064,960; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 10. This article shall take effect upon passage.