

**ARTICLE 7**

RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS

SECTION 1. This article shall serve as joint resolutions required pursuant to Rhode Island General Laws 35-18-1, et seq.

SECTION 2. *Pastore Government Center Varley Building Renovations.*

WHEREAS, Rhode Island currently lacks an appropriate facility with furnishings, equipment, security devices and services that integrates the roles of agencies whose job it is to respond in times of emergency and to protect Rhode Island's data systems; and

WHEREAS, the Varley Building is a 70,000 square-foot, state owned facility at the Pastore Government Center that could effectively house Rhode Island's Emergency 911 call center, the Rhode Island Emergency Management Agency Operations Center, and the State's Information Technology Operations/Data Center; and

WHEREAS, the project costs associated with renovating and equipping the Varley Building are estimated to be \$20.0 million. The total financing obligation of the State of Rhode Island would be approximately \$20.5 million, with \$20.0 million deposited in the construction fund, and \$0.5 million available to pay the associated costs of financing. Total payments on the State's obligation over twenty (20) years on the \$20.5 million issuance are projected to be \$32.359 million, assuming an average effective interest rate of 5.0%; and

WHEREAS, payments would be financed within the Department of Administration from general revenue appropriations and any other sources available to the agencies occupying the facility; now, therefore, be it

RESOLVED, That a consolidated facility to be located in the Varley Building is critical to ensure that Rhode Island's emergency response and data systems are administered in a secure and efficient manner; and be it further

RESOLVED, That this General Assembly hereby approves financing in an amount not to exceed \$20.50 million for the provision of a new consolidated facility; and be it further

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

SECTION 3. *Department of Administration Vehicle Lease Purchase.*

WHEREAS, the state of Rhode Island finds that it is cost-effective to use the state's tax-

1 exempt borrowing capacity to finance vehicles, trucks and heavy equipment; and

2 WHEREAS, the state of Rhode Island finds that it is cost effective when such borrowings  
3 are consolidated into one borrowing package rather than executed on an individual basis with  
4 financing companies; and

5 WHEREAS, the Rhode Island Public Corporation Debt Management Act (R.I. General  
6 Laws Section 35-18-1, et seq) requires the general assembly to provide its consent to the issuance  
7 of debt incurring by the state of Rhode Island and other public agencies of certain obligations;  
8 and

9 WHEREAS, this methodology has been approved in past years by the general assembly;  
10 and

11 WHEREAS, the state of Rhode Island Department of Administration desires to enter into  
12 financing agreements to finance the purchase of thirty (30) State Police Trooper vehicles and  
13 associated equipment, heavy equipment for the Department of Transportation, and other  
14 replacement vehicles for various state agencies, as required; and

15 WHEREAS, the Department of Administration estimates that the total issuance for  
16 vehicles and equipment will not exceed \$10.5 million, with \$10,450,000 deposited in the vehicle  
17 replacement fund and \$50,000 available to pay the associated costs of financing. Total lease  
18 payments over a period of three (3) years for State Police and other vehicles and ten (10) years for  
19 transportation heavy equipment are projected to be \$10,245,800, assuming an average coupon of  
20 4.0 percent. The lease payments would be financed within the various general revenue, federal,  
21 restricted, and other fund appropriations available to the respective departments; now, therefore,  
22 be it

23 RESOLVED, That it is cost effective when such borrowings are consolidated into one  
24 borrowing package; and be it further

25 RESOLVED, That this general assembly hereby approves financing in an amount not to  
26 exceed \$10,500,000 for the purchase of vehicles, heavy equipment and trucks for fiscal year  
27 2007; and be it further

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

30 SECTION 4. *Information Technology Improvements.*

31 WHEREAS, the computer systems that currently support the Division of Motor Vehicles  
32 are outdated and put the operations of the driver licenses and registrations systems at risk of  
33 operation; and

34 WHEREAS, the enterprise infrastructure of the state's wide and local area networks need

1 upgrades to protect them from cyber security attack; and

2 WHEREAS, an integrated professional licensing software platform would increase the  
3 regulatory compliance of licensees and increase access and convenience to the public of licensing  
4 rules, regulations, and application processing; and

5 WHEREAS, state police require IT management information systems and radio  
6 technology for the new headquarters located in Cranston; and

7 WHEREAS, public education would benefit from outfitting teachers with skills in the use  
8 of information technology intergrated into the curriculum in the classroom ; and

9 WHEREAS, the health information exchange would improve the quality, safety, and  
10 value of healthcare in the state and allow patients and providers to have their healthcare  
11 information when and where they need it; and

12 WHEREAS, testing the use of wireless broad communications in government  
13 applications would increase the productivity of government workers; and

14 WHEREAS, the project costs associated with the Innovative Technology Initiative is  
15 \$64.4 million. The total financing obligation of the State of Rhode Island would be  
16 approximately \$65.2 million, with \$64.4 million deposited in the construction fund, and \$0.8  
17 million available to pay the associated costs of financing. Total payments on the State's  
18 obligation over ten (10) years on the \$65.2 million issuance are projected to be \$83.5 million,  
19 assuming an average effective interest rate of 4.5%. The payments would be financed within the  
20 Department of Administration from general revenue appropriations; and

21 WHEREAS, payments would be financed within the Department of Administration from  
22 general revenue appropriations and any other sources available to the agencies benefiting from  
23 the project; now, therefore, be it

24 RESOLVED, That this General Assembly hereby approves financing in an amount not to  
25 exceed \$65.2 million for the provision of funds for Innovative Technology; and be it further

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

28 SECTION 5. *School for the Deaf*

29 WHEREAS the State currently lacks the appropriate facility with furnishings, and  
30 equipment to educate and serve the deaf population; and

31 WHEREAS, the General Assembly funded a study in the FY 2006 budget to determine  
32 the cost of a new facility, and

33 WHEREAS, the study revealed that a new facility would cost approximately \$31.16  
34 million; and

1           WHEREAS, there is state-owned property in Lincoln, Rhode Island on the campus of the  
2 Community College of Rhode Island which is suitable for the facility; and

3           WHEREAS, the project costs associated with constructing and equipping a new School  
4 for the Deaf are estimated to be \$31.16 million. The total financing obligation of the State of  
5 Rhode Island would be approximately \$31.25 million, with \$31.16 million deposited in the  
6 construction fund, and \$90,000 available to pay the associated costs of financing. Total payments  
7 on the State's obligation over twenty (20) years on the \$31.25 million issuance are projected to be  
8 \$49.6 million, assuming an average effective interest rate of 5.0%. The payments would be  
9 financed within the Department of Administration from general revenue appropriations; now,  
10 therefore, be it

11           RESOLVED, That a new School for the Deaf is needed to provide an environment  
12 conducive to learning; and be it further

13           RESOLVED, That this General Assembly hereby approves financing in an amount not to  
14 exceed \$31.25 million for the construction of a new School for the Deaf; and be it further

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

17           *SECTION 6. Garrahy Courthouse Parking Project.*

18           WHEREAS, given the current real estate marketplace, there is significant interest in  
19 mixed use developments within the City of Providence; and

20           WHEREAS, the Route I-195 relocation project is expected to cause significant disruption  
21 to the parking surrounding the Garrahy Courthouse, which is currently available for customers  
22 utilizing this facility and other buildings in the area; and

23           WHEREAS, the State needs to address the upcoming parking situation and can capture  
24 the significant increased value of the land caused by the current market demand for developable  
25 land in the City; and

26           WHEREAS, the State is prepared to entertain bids for a public private partnership to  
27 develop the land at the Garrahy Courthouse; and

28           WHEREAS, the intent is to partner with Rhode Island Housing and Mortgage Finance  
29 Corporation or another agency, if preferable, to establish a request for proposals (RFP) for a  
30 mixed use project consisting of parking, housing and retail; and

31           WHEREAS, the State would sell the property next to the courthouse (currently a parking  
32 lot) to the quasi-public agency who would then issue an RFP for prospective developers. The  
33 State would partner with the quasi-public agency to enter into a long term financial structure that  
34 would provide initial financial benefits for the State from the land sale and additional parking,

1 and include provisions for long term revenues based on the upside potential of the project; now,  
2 therefore, be it

3 RESOLVED, That the State is authorized to enter into a long-term parking lease for court  
4 employee and other state employees, and develop a financing structure that would provide  
5 additional payments or other economic benefits or concessions to the State from the winning  
6 developer over a 20 to 30 year period; and be it further

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

9 SECTION 7. *Energy Service Companies - Equipment Replacement.*

10 WHEREAS, in FY 2005 Rhode Island state government expended approximately \$38.0  
11 million on energy utilities for state -owned facilities; and

12 WHEREAS, energy prices increased significantly during FY 2006 and are expected to  
13 continue to rise in FY 2007; and

14 WHEREAS, the State of Rhode Island owns in excess of two hundred (200) buildings  
15 with boilers, heating systems, air conditioning systems, lighting and control systems many of  
16 which are antiquated, inefficient, and are expensive to maintain; and

17 WHEREAS, various private sector companies, hereinafter referred to as energy service  
18 companies or “ESCOs”, are willing to guarantee energy savings to pay for the cost of the  
19 replacement of these antiquated and inefficient boilers, heating and air conditioning, lighting and  
20 other building systems and equipment; and

21 WHEREAS, several state agencies are seeking to retain ESCOs to undertake energy  
22 service contracts; and

23 WHEREAS, State facilities/agencies seeking to undertake energy savings contracts to  
24 replace old and obsolete equipment that would be normally be done through the capital budget  
25 process and the estimated costs of such contracts include:

26 Department of Administration not to exceed \$6.0 million;

27 University of Rhode Island not to exceed \$18.1 million;

28 Rhode Island College not to exceed \$7.5 million;

29 Pastore Government Center Complex and Zambarano Complex not to exceed \$40.0  
30 million;

31 Rhode Island Airport Corporation not to exceed \$5.0 million;

32 now, therefore, be it

33 RESOLVED, That the State of Rhode Island is authorized to proceed with the  
34 aforementioned projects in the amounts specified above, exclusive of financing and servicing

1 costs; and be it further

2 RESOLVED, That these contracts will be structured so that, at a minimum, the annual  
3 principal, interest and service and maintenance costs resulting from these contracts would be  
4 completely offset by the annual energy savings guaranteed by the ESCOs; and be it further

5 RESOLVED, That these contracts would be multi-year contracts of up to a term of  
6 eighteen years. In addition to saving energy and helping to protect the state from future energy  
7 cost increases, these contracts would aide in reducing maintenance costs by providing new  
8 equipment and replacing older energy consuming systems; and be it further

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

11 SECTION 8. This article shall take effect upon passage.