



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

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**Memorandum**

**To:** The Honorable Steven M. Costantino  
Chairman, House Finance Committee  
  
The Honorable Stephen D. Alves  
Chairman, Senate Finance Committee

**From:** Rosemary Booth Gallogly  
Executive Director/State Budget Officer *R. Gallogly*

**Date:** February 26, 2008

**Subject:** Revised Article 4 for FY 2009 Appropriations Act (08-H-7390)

The Governor requests that Article 4 of the FY 2009 Appropriations Act (08-H-7390) be amended as follows:

Page 53, line 10: Replace section 4 with the following language:

*SECTION 4. University of Rhode Island North District Infrastructure*

WHEREAS, The Board of Governors for Higher Education and the University of Rhode Island are proposing a project which involves the execution of site and utility infrastructure work and program support work essential to the delivery of current approved and proposed major academic building construction projects in the science and technology focused "North District" of the University's Kingston Campus, and

WHEREAS, the two lead projects in the North District, approved on the 2004 and 2006 bond referenda, are the Center for Biotechnology and Life Sciences and the new College of Pharmacy Building; and

WHEREAS, The need for this support project is driven by the need for these two projects to fund in its entirety the major \$10,000,000 investment in primary utility infrastructure - high voltage electric, steam/condensate, water, sewer, and gas services to serve these projects and the future projects, the new Chemistry Building and Nursing and Associated Health Building projects, proposed to be developed on adjacent sites in the North District. and

WHEREAS, this project will offset the investments in primary utility infrastructure that had to be made at the present time from the lead project budgets by supporting on-site utility connections, drainage systems, hardscape such as walkways and parking areas, landscaping, and demolition work, telephone/data, security systems, laboratory equipment, and fixtures and furnishings, and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, the engineering design and construction work will be financed through Rhode Island Health and Education Building Corporation revenue bonds, with an expected term of fifteen (15) years; and

WHEREAS, the project costs associated with completion of the project and proposed financing method is ten million dollars (\$10,000,000). Debt Service payments would be supported by non-appropriated, unrestricted general revenues of the University of Rhode Island. Total debt service on the bonds is not expected to exceed nine hundred ninety three thousand dollars (\$993,000) annually and fourteen million eight hundred ninety five thousand dollars (\$14,895,000) in the aggregate based on an average interest rate of five and one half percent (5.5%); now, therefore be it

RESOLVED, that this General Assembly hereby approves financing in an amount not to exceed \$10.0 million for infrastructure improvements to the North District on the Kingston Campus of the University of Rhode Island.

Insert after Section 4, the following new sections:

*SECTION 5. University of Rhode Island Residence Hall - Terrace Apartments*

WHEREAS, The Board of Governors for Higher Education and the University of Rhode Island are proposing a project which involves the construction of new residence hall facilities near the present Terrace Apartment site, with related roadway reconfigurations; and

WHEREAS, the retention and growth of undergraduate student enrollment is critical to the fiscal health of the University; and

WHEREAS, the ability to offer potential undergraduates new and improved residence hall and apartment style on-campus housing options is seen as a major determining factor in the decision of students and their families to attend the institution and

WHEREAS, the University, with the support of the Board of Governors, the Executive and Legislative branches, and the State's citizens, has undertaken significant improvements to existing residence halls and has recently built new student residential buildings with 700 beds in suite and apartment configurations, and

WHEREAS, the University needs to continue its program of improvements to existing residential facilities and the construction of new residential facilities on its Kingston Campus in order to remain competitive with other Colleges and Universities and to meet student demand; and

WHEREAS, the Terrace Apartments, built in 1959 and housing 54 students, are old and outdated, and

WHEREAS, they would be removed and replaced by a new, multi-story residence with 350 beds, plus or minus, increasing net housing capacity on the Kingston Campus, and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, the design and construction of the project will be financed through Rhode Island Health and Education Building revenue bonds, with an expected term of thirty (30) years; and

WHEREAS, the project costs associated with completion of the project is forty million dollars (\$40,000,000). Debt Service payments would be supported by student housing fee revenues of the University of Rhode Island. Total debt service on the bonds is not expected to exceed two million six hundred seventy seven thousand dollars (\$2,630,000) annually and seventy eight million nine hundred thousand dollars (\$78,900,000) in the aggregate based on an average interest rate of five and one quarter percent (5.25%); now, therefore be it

RESOLVED, that this General Assembly hereby approves financing in an amount not to exceed \$40.0 million for the construction of a new residence hall on the University of Rhode Island Kingston Campus.

*SECTION 6. University of Rhode Island Fire Code Upgrades – Auxiliary Enterprise Buildings.*

WHEREAS, The Board of Governors for Higher Education and the University of Rhode Island are proposing a project which involves the installation of upgraded fire alarm and sprinkler systems, as well as life safety improvements in older auxiliary

enterprise buildings, including student residences, dining facilities, the student union, and health services facilities, in accordance with the recently amended State Fire Code and

WHEREAS, the Board of Governors and the University have a long standing commitment to the improvement and maintenance of fire safety conditions in all of the buildings under their responsibility and

WHEREAS, the University has already completed extensive fire safety improvements during the renovation of its older residence halls and health services facility as well as the replacement of two of its older dining facilities with the new Hope Commons, and

WHEREAS, the University engaged a qualified fire code compliance engineering firm to examine all of its occupied buildings and the firm has recommend fire safety improvements needed to satisfy the changes in the Rhode Island Fire Code; and

WHEREAS, there remains fire safety compliance investments, identified by the University's fire compliance engineering firm, in its Auxiliary Enterprise building complement that the University is prepared to advance, and

WHEREAS, The Rhode Island Public Corporation Debt Management Act requires the General Assembly to provide its consent to the issuance or incurring by the State of Rhode Island and other public agencies of certain obligations including financing guarantees or other agreements; and

WHEREAS, the design and construction work associated with this fire safety compliance work in Auxiliary Enterprise buildings will be financed through Rhode Island Health and Education Building Corporation (RIHEBC) revenue bonds, with an expected term of twenty (20) years; and

WHEREAS, the project costs associated with completion of the project and proposed financing method is \$17,724,833. Debt service payments would be supported by revenues derived from student fees associated with the respective Auxiliary

Enterprises of the University of Rhode Island occupying said facilities. Total debt service on the bonds is not expected to exceed one million five hundred forty thousand three hundred seventy seven dollars (\$1,540,377) annually and thirty million eight hundred seven thousand five hundred forty dollars (\$30,807,540) in the aggregate based on an average interest rate of 5.50(%) percent; now, therefore be it

RESOLVED, that this General Assembly hereby approves financing in an amount not to exceed \$17,724,833 for fire code upgrades to auxiliary enterprise buildings at the University of Rhode Island.

SECTION 7. These Joint Resolutions shall take effect upon passage by this General Assembly.

If you have any questions regarding this article, feel free to call me or Thomas Mullaney.

RB: sm08-70

cc: Michael O'Keefe  
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