

2022 --

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2022

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF TWO NEW HIGH SCHOOLS AND SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH SCHOOL, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

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Introduced By:

Date Introduced:

Referred To:

1 It is enacted by the General Assembly as follows:

2 SECTION 1. The city of Warwick is hereby authorized, in addition to authority
3 previously granted, to issue bonds and other evidences of indebtedness (hereinafter “bonds”) up
4 to an amount not exceeding three hundred fifty million dollars (\$350,000,000) from time to time
5 under its corporate name and seal or a facsimile of such seal; provided, however, that bonds shall

1 not be issued unless the conditions of section 2 hereof as to the level of state aid are met. The
2 bonds of each issue may be issued in the form of serial bonds or term bonds or a combination
3 thereof and shall be payable either by maturity of principal in the case of serial bonds or by
4 mandatory sinking fund installments in the case of term bonds, in annual installments of principal,
5 the first installment to be not later than five (5) years and the last installment not later than thirty
6 (30) years after the date of the bonds. All such bonds of a particular issue may be issued in the
7 form of zero coupon bonds, capital appreciation bonds, serial bonds or term bonds or a
8 combination thereof. The amount of principal appreciation each year on any bonds, after the date
9 of original issuance, shall not be considered to be principal indebtedness for the purposes of any
10 constitutional or statutory debt limit or any other limitation. The appreciation of principal after the
11 date of original issue shall be considered interest. Only the original principal amount shall be
12 counted in determining the principal amount so issued and any interest component shall be
13 disregarded.

14 SECTION 2. The city may be eligible for school housing aid reimbursement on debt
15 service pursuant to chapter 7 of title 16, or for a grant, loan or other financial assistance from
16 proceeds of bonds issued by the State of Rhode Island (the "State"), from the Rhode Island
17 Department of Education ("RIDE") or from the Rhode Island School Building Authority. The
18 amount of borrowing authorized pursuant to this act shall be reduced by the amount of certain
19 grant actually received by the city from State bond proceeds, from RIDE or from the Rhode Island
20 School Building Authority; provided however, that the amount of borrowing authorized shall not
21 be reduced by the amount of any grant received by the city for any portion of the projects funded
22 by capital reserve funds. Bonds, notes or other evidences of indebtedness shall not be issued
23 under this act unless the city has received a letter from RIDE confirming that the then-current

1 school housing aid reimbursement rate under chapter 7 of title 16, as amended from time to time,
2 or financial assistance from the School Building Authority Capital Fund, or pursuant to any other
3 law hereafter enacted providing for funds to municipalities for school housing purposes, is not less
4 than 45% of debt service for those expenditures which are eligible for state aid.

5 SECTION 3. The bonds shall be signed by the city treasurer and by the manual or
6 facsimile signature of the mayor and be issued and sold in such amounts as the city council may
7 determine by resolution. The manner of sale, denominations, maturities, interest rates and other
8 terms, conditions and details of any bonds or notes issued under this act may be fixed by the
9 proceedings of the city council authorizing the issue or by separate resolution of the city council
10 or, to the extent provisions for these matters are not so made, they may be fixed by the officers
11 authorized to sign the bonds or notes. Notwithstanding anything contained in this act to the
12 contrary, the city may enter into financing agreements with the Rhode Island Health and
13 Educational Building Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45 and,
14 with respect to notes or bonds issued in connection with such financing agreements, if any, the city
15 may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the bonds or
16 notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are inconsistent
17 herewith. In addition, the city may enter into financing agreements with the Rhode Island
18 Infrastructure Bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect to notes
19 or bonds issued in connection with such financing agreements, if any, the city may elect to have
20 the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes issued
21 hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith. Such
22 election may be fixed by the proceedings of the city council authorizing such issuance of by
23 separate resolution of the city council, or, to the extent provisions for these matters are not so

1 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds
2 derived from the sale of the bonds shall be delivered to the city treasurer, and such proceeds,
3 exclusive of premiums and accrued interest, shall be expended: (1) For the construction,
4 renovation, improvement, alteration, repair, landscaping, furnishing and equipping of two new
5 high schools and school facilities to replace Pilgrim High School and Tollgate High School, and
6 all attendant expenses including, but not limited to, demolition, engineering and architectural costs
7 (the "projects"); (2) In payment of the principal of or interest on temporary notes issued under
8 section 4; (3) In repayment of advances under section 5; (4) In payment of related costs of issuance
9 of any bonds or notes; and/or (5) In payment of capitalized interest during construction of the
10 projects. No purchaser of any bonds or notes under this act shall be in any way responsible for the
11 proper application of the proceeds derived from the sale thereof. The proceeds of bonds or notes
12 issued under this act, any applicable federal or state assistance and the other monies referred to in
13 sections 7 and 10 shall be deemed appropriated for the purposes of this act without further action
14 than that required by this act. The bonds authorized by this act may be consolidated for the purpose
15 of issuance and sale with any other bonds of the city heretofore or hereafter authorized, provided
16 that, notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized
17 by this act shall be expended for the purposes set forth above.

18 SECTION 4. The city council may by resolution authorize the issuance from time to time
19 of interest bearing or discounted notes in anticipation of the issue of bonds under section 3 or in
20 anticipation of the receipt of federal or state aid for the purposes of this act. The amount of original
21 notes issued in anticipation of bonds may not exceed the amount of bonds which may be issued
22 under this act and the amount of original notes issued in anticipation of federal or state aid may
23 not exceed the amount of available federal or state aid as estimated by the city treasurer.

1 Temporary notes issued hereunder shall be signed by the manual or facsimile signatures of the city
2 treasurer and the mayor and shall be payable within five (5) years from their respective dates, but
3 the principal of and interest on notes issued for a shorter period may be renewed or paid from time
4 to time by the issue of other notes hereunder, provided the period from the date of an original note
5 to the maturity of any note issued to renew or pay the same debt or the interest thereon shall not
6 exceed five (5) years. Any temporary notes in anticipation of bonds issued under this section may
7 be refunded prior to the maturity of the notes by the issuance of additional temporary notes,
8 provided that no such refunding shall result in any amount of such temporary notes outstanding at
9 any one time in excess of two hundred percent (200%) of the amount of bonds which may be
10 issued under this act, and provided further that if the issuance of any such refunding notes results
11 in any amount of such temporary notes outstanding at any one time in excess of the amount of
12 bonds which may be issued under this act, the proceeds of such refunding notes shall be deposited
13 in a separate fund established with the bank which is paying agent for the notes being
14 refunded. Pending their use to pay the notes being refunded, monies in the fund shall be invested
15 for the benefit of the city by the paying agent at the direction of the city treasurer in any investment
16 permitted under section 6. The monies in the fund and any investments held as a part of the fund
17 shall be held in trust and shall be applied by the paying agent solely to the payment or prepayment
18 of the principal of and interest on the notes being refunded. Upon payment of all principal of and
19 interest on the notes, any excess monies in the fund shall be distributed to the city. The city may
20 pay the principal of and interest on notes in full from other than the issuance of refunding notes
21 prior to the issuance of bonds pursuant to section 1 hereof. In such case, the city's authority to
22 issue bonds or notes in anticipation of bonds under this act shall continue provided that (1) The
23 city council passes a resolution evidencing the city's intent to pay off the notes without

1 extinguishing the authority to issue bonds or notes; and (2) That the period from the date of an
2 original note to the maturity date of any other note shall not exceed five (5) years.

3 SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu
4 of any authorization or issue of notes hereunder, the city treasurer, with the approval of the city
5 council may, to the extent that bonds or notes may be issued hereunder, apply funds in the general
6 treasury of the city to the purposes specified in section 3, such advances to be repaid without
7 interest from the proceeds of bonds or notes subsequently issued or from the proceeds of applicable
8 federal or state assistance or from other available funds.

9 SECTION 6. Any proceeds of bonds or notes issued hereunder or of any applicable
10 federal or state assistance, pending their expenditure may be deposited or invested by the city
11 treasurer, in demand deposits, time deposits or savings deposits in banks which are members of
12 the Federal Deposit Insurance Corporation or in obligations issued or guaranteed by the United
13 States of America or by any agency or instrumentality thereof or as may be provided in any other
14 applicable law of the state of Rhode Island or resolution of the city council or pursuant to an
15 investment policy of the city.

16 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder
17 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
18 sale of bonds or notes hereunder may, in the discretion of the city treasurer, be applied to the cost
19 of preparing, issuing, and marketing bonds or notes hereunder to the extent not otherwise provided
20 and, notwithstanding any other provisions of the general laws regarding the use of premium, shall
21 not be applied to costs of the projects other than costs of issuance. Any premium in excess of the
22 amounts to be applied to costs of issuance shall be applied to reduce the principal amount of the
23 bonds or notes issued. The cost of preparing, issuing, and marketing bonds or notes hereunder may

1 also, in the discretion of the city treasurer, be met from bond or note proceeds exclusive of
2 premium and accrued interest or from other monies available therefor. Any balance of bond or
3 note proceeds remaining after payment of the cost of the projects and the cost of preparing, issuing
4 and marketing bonds or notes hereunder shall be applied to the payment of the principal of or
5 interest on bonds or notes issued hereunder. To the extent permitted by applicable federal laws,
6 any earnings or net profit realized from the deposit or investment of funds hereunder may, upon
7 receipt, be added to and dealt with as part of the revenues of the city from property taxes. In
8 exercising any discretion under this section, the city treasurer shall be governed by any instructions
9 adopted by resolution of the city council.

10 SECTION 8. All bonds and notes issued under this act and the debt evidenced hereby
11 shall be obligatory on the city in the same manner and to the same extent as other debts lawfully
12 contracted by it and shall be excepted from the operation of § 45-12-2 and any provision of the
13 city charter. No such obligation shall at any time be included in the debt of the city for the purpose
14 of ascertaining its borrowing capacity. The city shall annually appropriate a sum sufficient to pay
15 the principal and interest coming due within the year on bonds and notes issued hereunder to the
16 extent that monies therefor are not otherwise provided. If such sum is not appropriated, it shall
17 nevertheless be added to the annual tax levy. In order to provide such sum in each year and
18 notwithstanding any provisions of law to the contrary, all taxable property in the city shall be
19 subject to ad valorem taxation by the city without limitation as to rate or amount.

20 SECTION 9. Any bonds or notes issued under the provisions of this act, if properly
21 executed by the officers of the city in office on the date of execution, shall be valid and binding
22 according to their terms notwithstanding that before the delivery thereof and payment therefor any
23 or all of such officers shall for any reason have ceased to hold office.

1 SECTION 10. The city, acting by resolution of its city council is authorized to apply for,
2 contract for and expend any federal or state advances or other grants of assistance which may be
3 available for the purposes of this act, and any such expenditures may be in addition to other monies
4 provided in this act. To the extent of any inconsistency between any law of this state and any
5 applicable federal law or regulation, the latter shall prevail. Federal and state advances, with
6 interest where applicable, whether contracted for prior to or after the effective date of this act, may
7 be repaid as a cost of the projects under section 3.

8 SECTION 11. Bonds and notes may be issued under this act without obtaining the
9 approval of any governmental agency or the taking of any proceedings or the happening of any
10 conditions except as specifically required by this act for such issue. In carrying out any project
11 financed in whole or in part under this act, including where applicable the condemnation of any
12 land or interest in land, and in the levy and collection of assessments or other charges permitted
13 by law on account of any such project, all action shall be taken which is necessary to meet
14 constitutional requirements whether or not such action is otherwise required by statute, but the
15 validity of bonds and notes issued hereunder shall in no way depend upon the validity or
16 occurrence of such action.

17 SECTION 12. The city treasurer and the mayor, on behalf of the city are hereby authorized
18 to execute such instruments, documents or other papers as either of them deem necessary or
19 desirable to carry out the intent of this act and are also authorized to take all actions and execute
20 all documents necessary to comply with federal tax and securities laws, which documents or
21 agreements may have a term coextensive with the maturity of the bonds authorized
22 hereby, including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to
23 execute and deliver a continuing disclosure agreement or certificate in connection with the bonds

1 or notes in the form as shall be deemed advisable by such officers in order to comply with the
2 Rule.

3 SECTION 13. All or any portion of the authorized but unissued authority to issue bonds
4 and notes under this act may be extinguished by resolution of the city council, without further
5 action by the general assembly, seven (7) years after the effective date of this act.

6 SECTION 14. The question of the approval of this act shall be submitted to the electors
7 of the city at the general election to be held on November 8, 2022. The question shall be submitted
8 in substantially the following form: "Shall an act passed at the 2022 session of the general assembly
9 entitled 'AN ACT AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO
10 EXCEED \$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER
11 EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION,
12 RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING,
13 FURNISHING AND EQUIPPING OF TWO NEW HIGH SCHOOLS AND
14 SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH
15 SCHOOL, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO,
16 DEMOLITION, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO
17 APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE
18 SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED
19 THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN
20 GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND
21 DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING
22 AUTHORITY' be approved?" and the warning for the election shall contain the question to be
23 submitted. From the time the election is warned and until it is held, it shall be the duty of the city

1 clerk to keep a copy of the act available at the clerk's office for public inspection, but the validity
2 of the election shall not be affected by this requirement. To the extent of any inconsistency between
3 this act and the city charter or any law of special applicability to the city, this act shall prevail.

4 SECTION 15. This act shall constitute an enabling act of the general assembly that is
5 required pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under
6 this act for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44
7 unless the school projects described herein have been approved by RIDE.

8 SECTION 16. Sections 14 and 16 shall take effect upon the passage. The remainder of
9 this act shall take effect upon the approval of this act by a majority of those voting on the question
10 at the election prescribed by section 14.

EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED \$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF TWO NEW HIGH SCHOOLS AND SCHOOL FACILITIES TO REPLACE PILGRIM HIGH SCHOOL AND TOLLGATE HIGH SCHOOL, AND ALL ATTENDANT EXPENSES INCLUDING, BUT NOT LIMITED TO, DEMOLITION, ENGINEERING AND ARCHITECTURAL COSTS, SUBJECT TO APPROVAL OF STATE HOUSING AID AT A REIMBURSEMENT RATE OR STATE SHARE RATIO OF NOT LESS THAN 45% AT THE TIME OF ISSUANCE AND PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING AUTHORITY

1 This act would authorize the city of Warwick to issue not more than \$350,000,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance the construction,
3 renovation, improvement, alteration, repair, landscaping, furnishing and equipping of two new
4 high schools and school facilities to replace Pilgrim High School and Tollgate High School, and
5 all attendant expenses including, but not limited to, demolition, engineering and architectural costs,
6 subject to approval of state housing aid at a reimbursement rate or state share ratio of not less than
7 45% at the time of issuance and provided that the authorization shall be reduced by the amount of
8 certain grants received from state bond proceeds, from the Rhode Island Department of Education
9 or from the Rhode Island School Building Authority.

10 This act would constitute an enabling act of the general assembly that is required pursuant
11 to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under this act for school

1 projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44 unless the school
2 projects described herein have been approved by the Rhode Island Department of Education
3 ("RIDE").

4 Sections 14 and 16 would take effect upon passage. The remainder of the act would take
5 effect upon approval of the question provided for in section 14.

A N A C T

AUTHORIZING THE CITY OF WARWICK TO ISSUE NOT TO EXCEED
\$350,000,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES
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-----Presented by

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