

A RESOLUTION MEMORIALIZING THE GENERAL ASSEMBLY TO ENACT LEGISLATION AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED \$106,500,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF INDEBTEDNESS TO FINANCE ALL COSTS RELATING TO THE CONSTRUCTION, RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING, FURNISHING AND EQUIPPING OF: (I) AN ADDITION TO THE CLAIBORNE PELL ELEMENTARY SCHOOL, INCLUDING BUT NOT LIMITED TO, CLASSROOMS AND ASSOCIATED SUPPORT SPACE, SITE IMPROVEMENTS, AND PARKING AND (II) A NEW SCHOOL FACILITY FOR THE WILLIAM S. ROGERS HIGH SCHOOL, 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

WHEREAS, the City Council of the City of Newport endorses and supports the issuance of general obligation bonds, notes and other evidences of indebtedness to finance the construction, renovation, improvement, alteration, repair, landscaping, furnishing and equipping of: (i) an addition to the Claiborne Pell Elementary School, including but not limited to, classrooms and associated support space, site improvements, and parking and (ii) a new school facility for the William S. Rogers High School (the "Projects");

WHEREAS, in order to undertake and complete the Projects, there would be a need to issue bonds, notes or other evidences of indebtedness in an amount not to exceed \$106,500,000. NOW, THEREFORE, BE IT

RESOLVED: that the City of NEWPORT hereby memorializes the General Assembly to enact legislation authorizing the City, with the approval of the qualified electors, to issue bonds, notes or other evidences of indebtedness in an amount not to exceed One Hundred Six Million Five Hundred Thousand Dollars (\$106,500,000) for the above purposes, provided that the authorization shall be reduced by the amount of certain grants received from State of Rhode Island ("State") bond proceeds, from the Rhode Island Department of Education or from the Rhode Island School Building Authority. AND BE IT FURTHER

RESOLVED: that the City Solicitor, working with Bond Counsel for the City of Newport, ensure that the appropriate legislation in substantially the form attached hereto is submitted in a timely manner to the Rhode Island General Assembly to ensure that all requirements are met to ensure consideration of this question by the electors. AND BE IT FURTHER

RESOLVED: that this resolution is an affirmative action of the City Council of the City of Newport toward the issuance of bonds, notes or other evidences of indebtedness in accordance with the purposes of the laws of the State. This resolution constitutes the City's declaration of official intent, pursuant to Treasury Regulation Section 1.150(2), to reimburse the City for certain capital expenditures for the Projects paid on or after the date

which is sixty (60) days prior to the date of this resolution but prior to the issuance of the bonds or notes. Such amounts to be reimbursed shall not exceed \$106,500,000 and shall be reimbursed not later than eighteen (18) months after (a) the date on which the expenditure is paid, or (b) the date the Projects are placed in service or abandoned, but in no event later than three (3) years after the date the expenditure is paid. AND BE IT FURTHER

RESOLVED: this Resolution shall take effect upon its passage.

2020 --

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2020

A N A C T

AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED
\$106,500,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES
OF INDEBTEDNESS TO FINANCE ALL COSTS RELATING TO THE CONSTRUCTION,
RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING,
FURNISHING AND EQUIPPING OF: (I) AN ADDITION TO THE CLAIBORNE PELL
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(II) A NEW SCHOOL FACILITY FOR THE WILLIAM S. ROGERS HIGH SCHOOL,
PROVIDED THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT
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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 Newport 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 one hundred six million five hundred thousand dollars
5 (\$106,500,000) from time to time under its corporate name and seal or a facsimile of such seal.
6 The bonds of each issue may be issued in the form of serial bonds or term bonds or a

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

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

21 SECTION 3. The bonds shall be signed by the city director of finance and by the
22 manual or facsimile signature of the mayor and be issued and sold in such amounts as the city
23 council may determine by resolution. The manner of sale, denominations, maturities, interest

1 rates and other terms, conditions and details of any bonds or notes issued under this act may be
2 fixed by the proceedings of the city council authorizing the issue or by separate resolution of the
3 city council or, to the extent provisions for these matters are not so made, they may be fixed by
4 the officers authorized to sign the bonds or notes. Notwithstanding anything contained in this act
5 to the contrary, the city may enter into financing agreements with the Rhode Island Health and
6 Educational Building Corporation pursuant to chapter 7 of title 16 and chapter 38.1 of title 45
7 and, with respect to notes or bonds issued in connection with such financing agreements, if any,
8 the city may elect to have the provisions of chapter 38.1 of title 45 apply to the issuance of the
9 bonds or notes issued hereunder to the extent the provisions of chapter 38.1 of title 45 are
10 inconsistent herewith. In addition, the city may enter into financing agreements with the Rhode
11 Island Infrastructure Bank pursuant to the provisions of chapter 12.2 of title 46 and, with respect
12 to notes or bonds issued in connection with such financing agreements, if any, the city may elect
13 to have the provisions of chapter 12.2 of title 46 apply to the issuance of the bonds or notes
14 issued hereunder to the extent the provisions of chapter 12.2 of title 46 are inconsistent herewith.
15 Such election may be fixed by the proceedings of the city council authorizing such issuance of
16 by separate resolution of the city council, or, to the extent provisions for these matters are not so
17 made, they may be fixed by the officers authorized to sign the bonds or notes. The proceeds
18 derived from the sale of the bonds shall be delivered to the city director of finance, and such
19 proceeds, exclusive of premiums and accrued interest, shall be expended: (1) to finance all costs
20 relating to the construction, renovation, improvement, alteration, repair, landscaping, furnishing
21 and equipping of: (i) an addition to the Claiborne Pell Elementary School including but not
22 limited to classrooms and associated support space, site improvements, and parking and (ii) a
23 new school facility for the William S. Rogers High School (the “projects”); (2) In payment of the

1 principal of or interest on temporary notes issued under section 4; (3) In repayment of advances
2 under section 5; (4) In payment of related costs of issuance of any bonds or notes; and/or (5) In
3 payment of capitalized interest during construction of the projects. No purchaser of any bonds or
4 notes under this act shall be in any way responsible for the proper application of the proceeds
5 derived from the sale thereof. The proceeds of bonds or notes issued under this act, any
6 applicable federal or state assistance and the other monies referred to in sections 7 and 10 shall
7 be deemed appropriated for the purposes of this act without further action than that required by
8 this act. The bonds authorized by this act may be consolidated for the purpose of issuance and
9 sale with any other bonds of the city heretofore or hereafter authorized, provided that,
10 notwithstanding any such consolidation, the proceeds from the sale of the bonds authorized by
11 this act shall be expended for the purposes set forth above.

12 SECTION 4. The city council may by resolution authorize the issuance from time to
13 time of interest bearing or discounted notes in anticipation of the issue of bonds under section 3
14 or in anticipation of the receipt of federal or state aid for the purposes of this act. The amount of
15 original notes issued in anticipation of bonds may not exceed the amount of bonds which may be
16 issued under this act and the amount of original notes issued in anticipation of federal or state aid
17 may not exceed the amount of available federal or state aid as estimated by the city director of
18 finance. Temporary notes issued hereunder shall be signed by the manual or facsimile signatures
19 of the city director of finance and the mayor and shall be payable within five (5) years from their
20 respective dates, but the principal of and interest on notes issued for a shorter period may be
21 renewed or paid from time to time by the issue of other notes hereunder, provided the period
22 from the date of an original note to the maturity of any note issued to renew or pay the same debt
23 or the interest thereon shall not exceed five (5) years. Any temporary notes in anticipation of

bonds issued under this section may be refunded prior to the maturity of the notes by the issuance of additional temporary notes, provided that no such refunding shall result in any amount of such temporary notes outstanding at any one time in excess of two hundred percent (200%) of the amount of bonds which may be issued under this act, and provided further that if the issuance of any such refunding notes results in any amount of such temporary notes outstanding at any one time in excess of the amount of bonds which may be issued under this act, the proceeds of such refunding notes shall be deposited in a separate fund established with the bank which is paying agent for the notes being refunded. Pending their use to pay the notes being refunded, monies in the fund shall be invested for the benefit of the city by the paying agent at the direction of the city director of finance in any investment permitted under section 6. The monies in the fund and any investments held as a part of the fund shall be held in trust and shall be applied by the paying agent solely to the payment or prepayment of the principal of and interest on the notes being refunded. Upon payment of all principal of and interest on the notes, any excess monies in the fund shall be distributed to the city. The city may pay the principal of and interest on notes in full from other than the issuance of refunding notes prior to the issuance of bonds pursuant to section 1 hereof. In such case, the city's authority to issue bonds or notes in anticipation of bonds under this act shall continue provided that (1) The city council passes a resolution evidencing the city's intent to pay off the notes without extinguishing the authority to issue bonds or notes; and (2) That the period from the date of an original note to the maturity date of any other note shall not exceed five (5) years.

SECTION 5. Pending any authorization or issue of bonds hereunder or pending or in lieu of any authorization or issue of notes hereunder, the city director of finance, with the approval of the city council may, to the extent that bonds or notes may be issued hereunder, apply funds in

1 the general treasury of the city to the purposes specified in section 3, such advances to be repaid
2 without interest from the proceeds of bonds or notes subsequently issued or from the proceeds of
3 applicable federal or state assistance or from other available funds.

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

11 SECTION 7. Any accrued interest received upon the sale of bonds or notes hereunder
12 shall be applied to the payment of the first interest due thereon. Any premiums arising from the
13 sale of bonds or notes hereunder and, to the extent permitted by applicable federal laws, any net
14 earnings or profits realized from the deposit or investment of funds hereunder shall, in the
15 discretion of the city director of finance, be applied to the cost of preparing, issuing, and
16 marketing bonds or notes hereunder to the extent not otherwise provided, to the payment of the
17 cost of the projects, to the payment of the principal of or interest on bonds or notes issued
18 hereunder, to the revenues of the city and dealt with as part of the revenues of the city from
19 property taxes to the extent permitted by federal law, or to any one or more of the foregoing. The
20 cost of preparing, issuing, and marketing bonds or notes hereunder may also, in the discretion of
21 the city director of finance, be met from bond or note proceeds exclusive of premium and
22 accrued interest or from other monies available therefor. Any balance of bond or note proceeds
23 remaining after payment of the cost of the projects and the cost of preparing, issuing and

1 marketing bonds or notes hereunder shall be applied to the payment of the principal of or interest
2 on bonds or notes issued hereunder. To the extent permitted by applicable federal laws, any
3 earnings or net profit realized from the deposit or investment of funds hereunder may, upon
4 receipt, be added to and dealt with as part of the revenues of the city from property taxes. In
5 exercising any discretion under this section, the city director of finance shall be governed by any
6 instructions adopted by resolution of the city council.

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

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

21 SECTION 10. The city, acting by resolution of its city council is authorized to apply for,
22 contract for and expend any federal or state advances or other grants of assistance which may be
23 available for the purposes of this act, and any such expenditures may be in addition to other

monies provided in this act. To the extent of any inconsistency between any law of this state and any applicable federal law or regulation, the latter shall prevail. Federal and state advances, with interest where applicable, whether contracted for prior to or after the effective date of this act, may be repaid as a cost of the projects under section 3.

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

SECTION 12. The city director of finance and the mayor, on behalf of the city are hereby authorized to execute such instruments, documents or other papers as either of them deem necessary or desirable to carry out the intent of this act and are also authorized to take all actions and execute all documents necessary to comply with federal tax and securities laws, which documents or agreements may have a term coextensive with the maturity of the bonds authorized hereby, including Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") and to execute and deliver a continuing disclosure agreement or certificate in connection with the bonds or notes in the form as shall be deemed advisable by such officers in order to comply with the Rule.

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

4 SECTION 14. The question of the approval of this act shall be submitted to the electors
5 of the city at the general election to be held on November 4, 2020 or, if so determined by the city
6 council, at a special city-wide election, other than a primary, held on a date to be determined by
7 resolution of the city council. The question shall be submitted in substantially the following
8 form: "Shall an act passed at the 2020 session of the general assembly entitled 'AN ACT
9 AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED \$106,500,000
10 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES OF
11 INDEBTEDNESS TO FINANCE ALL COSTS RELATING TO THE CONSTRUCTION,
12 RENOVATION, IMPROVEMENT, ALTERATION, REPAIR, LANDSCAPING,
13 FURNISHING AND EQUIPPING OF: (I) AN ADDITION TO THE CLAIBORNE PELL
14 ELEMENTARY SCHOOL, INCLUDING BUT NOT LIMITED TO, CLASSROOMS AND
15 ASSOCIATED SUPPORT SPACE SITE IMPROVEMENTS, AND PARKING AND (II) A
16 NEW SCHOOL FACILITY FOR THE WILLIAM S. ROGERS HIGH SCHOOL, PROVIDED
17 THAT THE AUTHORIZATION SHALL BE REDUCED BY THE AMOUNT OF CERTAIN
18 GRANTS RECEIVED FROM STATE BOND PROCEEDS, FROM THE RHODE ISLAND
19 DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND SCHOOL BUILDING
20 AUTHORITY' be approved?" and the warning for the election shall contain the question to be
21 submitted. From the time the election is warned and until it is held, it shall be the duty of the city
22 clerk to keep a copy of the act available at the clerk's office for public inspection, but the validity
23 of the election shall not be affected by this requirement. To the extent of any inconsistency

1 between this act and the city charter or any law of special applicability to the city, this act shall
2 prevail.

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

7 SECTION 16. Sections 14 and 15 shall take effect upon the passage. The remainder of
8 this act shall take effect upon the approval of this act by a majority of those voting on the
9 question at the election prescribed by section 14.

EXPLANATION

OF

A N A C T

AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED
\$106,500,000 GENERAL OBLIGATION BONDS, NOTES AND OTHER EVIDENCES
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RHODE ISLAND DEPARTMENT OF EDUCATION OR FROM THE RHODE ISLAND
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1 This act would authorize the city of Newport to issue not more than \$106,500,000 general
2 obligation bonds, notes and other evidences of indebtedness to finance all costs relating to the
3 Claiborne Pell Elementary School the construction, renovation, improvement, alteration, repair,
4 landscaping, furnishing and equipping of: (i) an addition to the Claiborne Pell Elementary
5 School, including but not limited to, classrooms and associated support space site improvements,
6 and parking and (ii) a new school facility for the William S. Rogers High School, provided that
7 the authorization shall be reduced by the amount of certain grants received from State bond
8 proceeds, from the Rhode Island Department of Education or from the Rhode Island School
9 Building Authority.

10 This act would constitute an enabling act of the general assembly that is required
11 pursuant to § 16-7-44. Any bonds, notes or other evidences of indebtedness issued under this act
12 for school projects shall not be eligible for state aid reimbursement pursuant to § 16-7-44 unless

1 the school projects described herein have been approved by the Rhode Island Department of
2 Education ("RIDE").

3 Sections 15 and 17 would take effect upon passage. The remainder of the act would take
4 effect upon approval of the question provided for in section 15.

A N A C T

AUTHORIZING THE CITY OF NEWPORT TO ISSUE NOT TO EXCEED
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-----Presented by