

RHODE ISLAND COMMERCE CORPORATION

AGENDA

January 23, 2017
PUBLIC SESSION

Call to order and opening remarks.

- TAB 1: To consider for approval meeting minutes for the meeting held December 19, 2016.
- TAB 2: To consider the application of Johnson & Johnson for incentives under the Qualified Jobs Incentive Tax Credit program and the First Wave Closing Fund program.*
- TAB 3: To consider the application of Cornish Associates LP for incentives under the Rebuild Rhode Island Tax Credit program.*
- TAB 4: To consider the application of Whiting & Davis, LLC for incentives under the Qualified Jobs Incentive Tax Credit program.*
- TAB 5: To consider an amendment to the award to Greystone Lincoln, Inc., under the Qualified Jobs Incentive Tax Credit program.*
- TAB 6: To consider awards to applicants for Innovation Vouchers.*
- TAB 7: To consider the approval of matching funds and retention of consultants for the Anchor Procurement Initiative.
- TAB 8: To consider amendments to the Corporation's retirement plan.
- TAB 9: To consider approval of executive session meeting minutes.**
- TAB 10: To consider the utilization of the Corporation's programs for the investment of public funds.*

Board members may convene in Executive Session pursuant to *R.I. Gen. Laws § 42-46-5(a)(7) or **R.I. Gen. Laws. § 42-46-5(a)(2) to discuss this Agenda item.

TAB 1

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve the Public Session minutes for the meeting held December 19, 2016 as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION

**MEETING OF DIRECTORS
PUBLIC SESSION
December 19, 2016**

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on December 19, 2016, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Directors absent were: Ronald O'Hanley, Donna M. Sams, and Dr. Nancy Carriuolo.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early and Thomas Carlotto, Esq.

1. **CALL TO ORDER AND OPENING REMARKS**

Governor Raimondo called the meeting to order at 5:17 p.m., indicating that a quorum was present.

2. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON NOVEMBER 21, 2016.**

Upon motion duly made by Ms. Lovejoy and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the Public Session minutes for the meeting held November 21, 2016 as presented to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

3. **TO CONSIDER THE APPLICATION OF SURPLUS SOLUTIONS, LLC FOR INCENTIVES UNDER THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM.**

Jesse Saglio, Managing Director, Head of Investments, explained that Surplus Solutions, LLC (“Surplus”) is seeking tax incentives under the Qualified Jobs Incentive Tax Credit Program. He stated that Surplus is in the business of distributing new and used biotechnical and pharmaceutical equipment, and currently is located in Fall River, Massachusetts and would move to Woonsocket. He indicated that the company would move its existing twelve employees and increase its employment to sixteen over the term of the eligibility period.

In response to a question by Mr. Nee, Mr. Saglio indicated that Surplus was planning to relocate very soon, and that Surplus was planning to execute a lease of a building in Woonsocket upon approval of the Qualified Jobs tax credits. Mr. Wadensten inquired if Surplus had regional, national, or global sales to which Mr. Saglio responded that the majority of Surplus’s customers are in Rhode Island and Massachusetts. Mr. Saglio explained that Surplus was founded and began operating in Florida, but due to the quantity of its customers in the New England area, subsequently moved to Fall River.

Upon motion duly made by Mr. Herbert and seconded by Mr. Nee, the following vote was adopted:

VOTED: To approve Surplus Solutions, LLC for an award of incentives under the Qualified Jobs Incentive Act pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit B.**

4. **TO CONSIDER THE APPLICATION OF WALDORF CAPITAL PARTNERS, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.**

Mr. Saglio explained that Waldorf Capital Partners, LLC (“Waldorf”) is proposing a development project adjacent to land located at 95 Chestnut Street in Providence, which is also owned by Waldorf. He stated that the project will cost \$33 million and yield 110,000 square feet of residential and retail mixed-use space, which will include approximately ninety-one upscale apartments, fifty-five parking spaces, and about 5,000 square feet of retail space. Mr. Saglio indicated that the parcel upon which the project will be located has a unique layout, which makes it difficult for a developer to develop unless the developer owns an adjacent parcel as is the case

with Waldorf. Mr. Saglio noted that the proposed incentives included approximately \$3 million in Rebuild RI tax credits together with a sales tax rebate.

Mr. Wadensten asked how many residential projects are in the Corporation's Rebuild RI portfolio. Mr. Salgio responded that residential projects constitute approximately 40% of the portfolio. Mr. Wadensten inquired whether the Corporation will cap its portfolio when it is 50% residential and Mr. Salgio indicated that it will not likely be capped, but the goal is to have a portfolio evenly balanced between commercial and residential projects.

Mr. Buonanno inquired into the market demand for apartments, asking Zach Darrow (a principal of Waldorf) for his insight. Mr. Darrow indicated that he has been following the Providence rental market for about fifteen years, and has served as counsel to numerous developers in the market. He stated that previously, the Providence Journal published an article that indicated that Providence was comparable to Manhattan on a ratio basis in terms of apartment availability and demand. He also stated that Rhode Island has been ranked fifth in the nation for apartment demand. Mr. Darrow indicated that Waldorf has not advertised the project, but it has already received inquiries from potential tenants. He elaborated that recently an apartment building opened on Westminster Street with a projected absorption of eleven months; however, the apartment building was fully absorbed in about three months.

Ms. Lovejoy asked Mr. Darrow when he believed that Providence would be self-sustaining in its redevelopment without the assistance of development incentive programs. Mr. Darrow replied that self-sufficiency is predominantly tied to rental rates, which need to be higher in order to offset the construction costs.

Upon motion duly made by Mr. Buonanno and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve Waldorf Capital Partners, LLC for an award of incentives under the Rebuild Rhode Island Tax Credit Act pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit C**.

5. **TO CONSIDER THE APPLICATION OF VIRGIN PULSE, INC., FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM AND THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM.**

Mr. Saglio stated that Virgin Pulse, Inc. (“Virgin Pulse”) is a technology-driven health and wellness company that is currently located in Framingham, Massachusetts, serving approximately 250 clients. Mr. Saglio indicated that Virgin Pulse has chosen Providence as the city in which it will expand its operations. He stated that over the next two (2) years, Virgin Pulse has committed to growing its Rhode Island workforce to 292 jobs, in addition to the sixty five (65) ShapeUp jobs that presently exist in Rhode Island. Mr. Saglio stated that the proposed incentives include tax credits under the Qualified Jobs program for the 292 newly-created jobs and tax credits under the Rebuild RI program to assist Virgin Pulse with completing the build-out of its leased space.

The Governor explained that ShapeUp was a start-up wellness company that was founded by a Brown University student to help patients with wellness and disease management. She further explained that Virgin Pulse bought ShapeUp and was planning to move ShapeUp out of Rhode Island. She stated that because of the proposed credits, Virgin Pulse has decided to stay in Rhode Island. Mr. Herbert commended the Corporation’s staff on working with Virgin Pulse.

Ms. Lovejoy asked Mr. Saglio to discuss the phases of the agreement in relation to the Qualified Jobs tax incentives. Mr. Saglio responded that the agreement is divided into two phases in order to support growth; there is a “ramp up” period in the beginning, which subsequently transitions into a conservative new-job-hire projection.

Mr. Buonanno expressed his approval of the deal. He clarified that the deal does not underwrite Virgin Pulse and that it protects the tax-payers capital in two ways: the Rebuild funds are staged so that Virgin Pulse must build the space and hire the employees before it receives any incentives; and the Qualified Jobs’ funds will only be received if Virgin Pulse actually hires the employees. He commended the Corporation’s staff for ensuring that the taxpayer’s money is protected.

Mr. Nee questioned whether there will be any monitoring of Virgin Pulse’s obligations under the agreement, to which Mr. Pryor indicated that such monitoring is structurally required in the Rebuild and Qualified Jobs programs.

Mr. Wadensten commended the Governor and the Corporation’s staff for their tenacity in attempting to keep jobs in Rhode Island. He stated, however, that he believed there is a need for intangible and nonmonetary benefits to be offered to Rhode Island’s business. The Governor agreed, and stated that such programs exist, such as the Wavemaker program. By way of example, the Governor indicated that executives from Johnson and Johnson are interested in Brown for its technology talent, which Wavemaker can help facilitate. Mr. Wadensten stated that he believed that the Presidents of local colleges need to be involved in the process to help connect the college’s students with local companies. Mr. Herbert agreed, and stated that URI has a program in which students can receive a computer science degree in four years, which will

serve as a benefit to companies like General Electric and Virgin Pulse. Ms. Toledo-Vickers identified Opportunity at Work and Tech Hire as other programs that are helping to scale Rhode Island's workforce.

Upon motion duly made by Ms. Kaplan and seconded by Mr. Herbert, the following vote was adopted:

VOTED: To approve Virgin Pulse, Inc. for an award of incentive under the Rebuild Rhode Island Tax Credit Act and the Qualified Jobs Incentive Act pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Jason Kelly, Bernard V. Buonanno III, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit D**.

6. **TO CONSIDER EVALUATION PRINCIPLES IN RELATION TO THE AIRPORT DEVELOPMENT FUND.**

Nicholas Autiello, Senior Economic Analyst for the Executive Office of Commerce, explained that the Board previously appointed members to the Air Service Development Council ("ASDC"), who would be charged with administering funds appropriated by the General Assembly. Mr. Autiello stated that the ASDC has met and determined criteria that it will use in its determinations of awards to air service providers. He explained that the criteria include: (1) the types of increase in service; (2) the financial benefit of investment in the service; (3) the particular route and how it fits into the Corporation's economic goals; and (4) the economic impact of the route.

Ms. Lovejoy inquired as to the review process of new airline routes, and Mr. Autiello explained all routes are reviewed first by the Rhode Island Airport Corporation and if there is a potential need for incentives, the route will be reviewed by the ASDC. Mr. Wadensten asked about the amount of incentives and Mr. Autiello noted that the fund is \$1.5 million.

In response to questions by Mr. Wadensten, Mr. Autiello stated that an airline that flew from T.F. Green to Germany had to cancel its service due to market pressure from Logan Airport; however, T.F. Green maintains international flights to Cape Verde and the Azores. Mr. McNally inquired as to reevaluation of routes once the ASDC decides to incentivize the route. Mr. Autiello explained that if the support was longer term the expectation is that the routes would be reviewed in the two to three year range.

In response to a question by Ms. Kaplan, Mr. Autiello stated that the RIAC staff reviewed other airports with similar incentive programs and used best practices to create the evaluation

principles before the Board. Mr. Nee asked whether the money in the fund will carry over to next year, and Secretary Pryor confirmed that the funding would carry over.

Upon motion duly made by Mr. Nee and seconded by Mr. Buonanno, the following vote was adopted:

VOTED: To approve the evaluation principles in relation to the Airport Development Fund submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none

A copy of the Evaluation Principles are attached hereto as **Exhibit E**.

7. **TO CONSIDER THE APPROVAL OF A GRANT UNDER THE PTECH PROGRAM TO WOONSOCKET.**

Dan Sutton, Director of Education Partnerships, stated that he was seeking the Board's approval of a \$200,000 award under PTECH to the Woonsocket School District ("Woonsocket"), who has created a PTECH program that focuses on information and technology career pathways with CVS Health. He indicated that Woonsocket's PTECH program is aligned with existing and prospective degrees with the Community College of Rhode Island, and there exists an opportunity to align with Rhode Island College as well.

In response to a question by Mr. McNally, Mr. Sutton indicated that the PTECH funds will be used to fund Woonsocket for approximately one and one half (1 ½) years, after which time, Woonsocket will be expected to fund the program and be self-sustaining. Ms. Toledo-Vickers inquired as to the CTE program at Woonsocket, and William Webb (Director of the Woonsocket Area Career and Technical Center) responded that Woonsocket sponsors ten CTE programs, including child studies, graphics, design, communications, health care, travel and tourism, construction, digital media, culinary, automotive, and game design. In response to a question by Ms. Toledo-Vickers, Mr. Webb indicated that the PTECH funds would be used to expand upon the programs that Woonsocket currently offers.

Mr. Wadensten inquired into the difference between CTE and PTECH programs. Mr. Sutton stated that PTECH programs occur at high schools and CTE programs occur at career technical education centers. By way of example, Mr. Sutton stated that Providence High School has both PTECH and CTE programs that take place at the high school and at a nearby career and technical academy; Newport High School's programs are a blend between PTECH and CTE programs that occur at Rogers High School and the Newport Technology center; and Westerly only has PTECH programs as it does not have a career technical center. Mr. Sutton indicated that each PTECH program has a director, who reports to the high school's superintendent.

Upon motion duly made by Ms. Kaplan and seconded by Mr. Herbert, the following vote was adopted:

VOTED: To approve a grant under the PTECH program to Woonsocket pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit F**.

8. **TO RECEIVE A PRESENTATION REGARDING BUSINESS DEVELOPMENT.**

Hilary Fagan, EVP Business Development, explained that the Corporation has focused its business development strategy on several platforms, including (1) attracting new business to Rhode Island; and (2) incubating, growing, and expanding businesses in Rhode Island. In pursuing its strategy, Ms. Fagan elaborated that the Corporation has (1) focused its business development on targeted industries identified in the Brookings Report; (2) attempted to incent companies to relocate or grow their operations in Rhode Island; and (3) leveraged personal connections of many business leaders and government leaders.

Ms. Fagan gave a brief background for each of the team members: Lynn Rakowsky; Jeff Tingley; Hope Hopkins; and Emily Manz. Ms. Fagan indicated that the Corporation's business development lead sources include: (1) influencers/multipliers; (2) direct company outreach, which occurs daily; (3) city surge and FDI targets; (4) digital media and paid advertising; and (5) Rhode Island company referrals. Ms. Fagan explained the different levels that the business development team must go through to identify a lead and qualify a project.

Ms. Fagan indicated that a value proposition by industry is import to create a message to a target industry, which will increase the Corporation's chances of recruiting businesses. She stated that the Corporation has a good relationship with the Greater Providence Chamber of Commerce ("GPCC"), and both organizations continue to work closely on business development efforts. Secretary Pryor commended Ms. Lara Salamano, Ms. Fagan, and the GPCC for the work that they have accomplished.

In response to a comment by Ms. Lovejoy, Ms. Fagan indicated that three (3) companies have made unsolicited inquires through the GPCC and that she received an unsolicited email from a wind company looking to possibly relocate to Rhode Island.

Mr. Herbert asked if the Corporation was utilizing the customer relation management software, which Ms. Fagan answered in the affirmative, indicating that the Corporation utilizes Salesforce. Ms. Fagan stated that the Salesforce software needs to be aligned with the

Corporation's prospecting mission. In response to a question by Mr. Herbert, Ms. Salamano explained that the Corporation's current marketing is very manual. Mr. Herbert indicated that the next step for the Corporation should be making its marketing automated.

Mr. Buonanno suggested that the Corporation develop a pipeline of qualified leads that can be shared with the Board or other business and government leaders. He explained that such pipeline may help close many deals. The Governor agreed with Mr. Herbert's suggestions. Ms. Fagan indicated that confidentially restrictions oftentimes can hamper the sharing certain information difficult. Mr. Wadensten offered to show Ms. Salamano and Ms. Fagan the YPO network of which he is a member.

A copy of the PowerPoint presentation for this Agenda items is attached hereto as **Exhibit G.**

9. **TO RECEIVE YEAR-END RECAP REGARDING THE CORPORATION'S INITIATIVES.**

Mr. Early explained that the Corporation's business development team, over a period of eight (8) months, has made 1400 touch points with local businesses across the Corporation's targeted industries, which has generated eighty five (85) meetings and thirty nine (39) legitimate business opportunities. He explained that such numbers are only a result of the Corporation's business development team and no other affiliated entities.

Mr. Early stated that the Corporation's client services team has been to 150 road show events, which were attended by 2500 people. He explained that such attendance has served as a foundation for the business development team to close deals. He indicated that the client services team has set up SalesForce, a customer relation management software, and created a Statewide Action Team to identify inefficiencies within the government.

Mr. Early stated that the Corporation's investment programs—Rebuild RI, Qualified Jobs, TIF, and TSA—have resulted in twenty six (26) transactions, which have yielded roughly \$55.6 million in incentives, 5,678 jobs, and approximately \$500,000,000 in project value. Such programs have assisted in the development of 1,000 residential units across the State.

Mr. Early indicated that the Corporation has issued \$830 million in conduit bond issuances across nine (9) transactions. He explained that the Small Business Loan Fund, which has its own board of directors, has approved twenty (20) transactions totaling \$5.4 million. Further, Mr. Early stated that the Renewable Energy Fund has committed \$1.5 million in small scale funding and \$7.2 million in commercial funding. Mr. Early stated that the Corporation has issued twenty seven (27) innovation grants totaling \$5.65 million.

Mr. Early stated that the Corporation has deployed new phone, payroll, and human resources systems; upgraded its network; and added twenty one (21) full time employees. Further, Mr. Early indicated that the Corporation has been through five (5) audits and one (1) performance audit.

Mr. Early explained that the Corporation's marketing team has created (60) publications and other products to build its brand. Further, he stated that the Corporation has participated in fifteen (15) Twitter takeovers, increased its social media following by 123%, and increased its website visits by 178%. Mr. Early stated that in regards to tourism, the Corporation has had a successful click-through rate and an AVE of \$8.3 million, which is well beyond the cost of hosting such media.

Mr. Matt Scheaff explained to the Board that a Twitter takeover occurs when a local company uses the Corporation's twitter account and makes social media posts about its business and why it conducts business in Rhode Island.

Mr. Nee stated that a lot has occurred in a short period of time. Mr. Herbert stated that there is good momentum for 2017.

A copy of the PowerPoint presentation for this Agenda item is attached hereto as **Exhibit H**.

10. **TO CONSIDER AMENDMENTS TO THE CORPORATION'S FLEXIBLE BENEFITS PLAN.**

Lisa Lasky, CFO, explained that due to the Internal Revenue Service ("IRS") expanding events that trigger a mid-year change of benefit plans, the Corporation needs to amend its benefit plan to be in compliance with IRS regulations.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the amendments to the Corporation's benefits plan pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit I**.

11. **TO CONSIDER THE SELECTION OF A VENDOR IN RELATION TO BUSINESS TAX CLIMATE CONSULTING SERVICES.**

Mr. Early did not participate in the agenda item.

Mr. McNally recused himself from participation of this agenda item.

Rebecca Webber, Chief of Staff with the Executive Office of Commerce, indicated that Jones Lang LaSalle (“JLL”) was the successful bidder with respect to a Request for Proposal for business tax climate consulting services that the staff is recommending for approval by the Board. Ms. Webber indicated that JLL’s business tax climate consulting services would cost \$90,000.

Secretary Pryor indicated that the objective of obtaining JLL for tax climate consulting services is to analyze the tax burdens and advantages of businesses in Rhode Island and to compare those burdens and advantages to other jurisdictions. In response to a question by the Governor, Secretary Pryor indicated that JLL will be able to assist the Corporation with tax strategies in the event that the federal tax code is amended. Mr. Herbert questioned whether JLL will provide strengths and weaknesses of the State’s tax structure, to which Secretary Pryor answered in the affirmative. Secretary Pryor indicated that Rhode Island compares favorably to other states in many ways, but JLL’s report will assist the Corporation in determining what measures could be undertaken that would make Rhode Island’s the tax climate even more competitive.

Mr. Herbert questioned whether the State will be compared to states other than Massachusetts and Connecticut, to which Secretary Pryor answered in the affirmative. In response to a question by Mr. Wadensten, Secretary Pryor indicated that JLL will consult with local certified public accountants and businesses to determine the tax climate and effects of the current tax structure. Mr. Buonanno indicated that a comprehensive analysis is necessary, otherwise the analysis would be misleading because so many businesses in Rhode Island are pass-through entities.

Upon motion duly made by Mr. Nee and seconded by Mr. Herbert, the following vote was adopted:

VOTED: To approve the selection of Jones Lang Lasalle to perform business tax climate consulting services pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit J.**

12. **TO CONSIDER THE SELECTION OF A VENDOR IN RELATION TO INNOVATION CAMPUS CONSULTING SERVICES.**

Mr. Autiello explained that during this year’s election, the voters passed the Higher Education Bond, which attributed \$20 million to create one (1) or more innovation campuses. He stated that innovation campuses bring together a university partner and a private sector

partner to work on creating jobs. Mr. Autiello explained that HR&A Advisors, Inc. (“HR&A”) was the winner of a recent Request for Proposals and will provide assistance with the process and structure for the competition for the building of the campus, outreach to developers and the private sectors, and provide general consulting services.

Secretary Pryor indicated that the University of Rhode Island’s president, David Dooley, committed to sharing the cost of the innovation campus with the Corporation. In response to a question by Ms. Lovejoy, Secretary Pryor indicated that HR&A was previously hired by the Corporation to conduct a report on the 195 corridor.

The Governor indicated that the innovation campus is modeled after an innovation campus at Clemson University.

Upon motion duly made by Mr. Nee and seconded by Mr. McNally, the following vote was adopted:

VOTED: To approve the selection of a vendor to perform innovation campus consulting services pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Jason Kelly, Bernard V. Buonanno III, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit K**.

13. **TO CONSIDER THE SECTION OF A VENDOR FOR CONSULTING SERVICES IN RELATION TO BUSINESS CLIMATE AND QUALITY OF LIFE RANKINGS.**

Lara Salamano, Chief Marketing Officer, explained that before the Board for approval was Sperling’s Best Places (“Sperling’s”), who would provide the Corporation with consultation services in relation to business climate and quality of life rankings. Ms. Salamano explained that Sperling’s has been in business for over thirty years, and will assist the Corporation in determining what the rankings entail, and what the corporation needs to accomplish to affect the State’s rankings. Ms. Salamano indicated that Sperling’s services will cost \$99,500.

Mr. McNally expressed his approval of this effort.

Upon motion duly made by Mr. Buonanno and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the selection of Sperling’s Best Places to perform consulting services in relation to business climate and quality of life rankings pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the Resolution is attached hereto as **Exhibit L**.

14. **TO CONSIDER LITIGATION ISSUES IN RELATION TO 38 STUDIOS, LLC AND THE APPROVAL OF EXECUTIVE SESSION MEETING MINUTES.**

Upon motion duly made by Mr. O'Hanley and seconded by Mr. Kelly, the following vote was adopted:

VOTED: To enter into executive session to consider: (i) litigation issues in relation to 38 Studios, LLC and the approval of executive session meeting minutes for November 21, 2016 under RI Gen. Laws §§ 42-46-5(a)(2); and (ii) the investment of public funds pursuant to RI Gen. Laws §§ 42-46-5(a)(7).

Voting in favor of the foregoing were: Bernard V. Buonanno III, Jason Kelly, Michael F. McNally, George Nee, Vanessa Toledo-Vickers, Mary Jo Kaplan, Mary Lovejoy, Tim Herbert, and Karl Wadensten.

Voting against the foregoing were: none.

Members of the Board, staff, and counsel entered into executive session at 6:30 p.m.

Members of the Board, staff, and counsel returned to public session at 7:17 p.m.

Upon entering public session, Thomas E. Carlotto, Secretary, reported that the Board unanimously voted to keep the votes taken in executive session confidential pursuant to R.I. Gen. Laws § 42-46-4(b).

Upon motion duly made by Mr. Buonanno and seconded by Mr. Herbert, the following vote was adopted:

VOTED: That the minutes of the executive session be sealed.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 7:18 p.m., upon motion made by Ms. Toledo-Vickers and seconded by Mr. Herbert.

Thomas Carlotto, Secretary

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **December 19, 2016**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. Call to order and opening remarks.
2. To consider for approval meeting minutes for the meeting held November 21, 2016.
3. To consider the application of Surplus Solutions, LLC for incentives under the Qualified Jobs Incentive Tax Credit program (See Exhibit 1, which follows, for additional detail).*
4. To consider the application of Waldorf Capital Partners, LLC for incentives under the Rebuild Rhode Island Tax Credit program (See Exhibit 1, which follows, for additional detail).*
5. To consider the application of Virgin Pulse, Inc., for incentives under the Rebuild Rhode Island Tax Credit program and the Qualified Jobs Incentive Tax Credit program (See Exhibit 1, which follows, for additional detail).*
6. To consider evaluation principles in relation to the Airport Development Fund.
7. To consider the approval of a grant under the PTECH program to Woonsocket.
8. To receive a presentation regarding business development.
9. To receive a year-end recap regarding the Corporation's initiatives.
10. To consider amendments to the Corporation's flexible benefits plan.
11. To consider the selection of a vendor in relation to business tax climate consulting services.
12. To consider the selection of a vendor in relation to innovation campus consulting services.
13. To consider the selection of a vendor for consulting services in relation to business climate and quality of life rankings.
14. To consider litigation matters related to 38 Studios, LLC and approval of executive session meeting minutes.**
15. To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

* Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to discuss this Agenda item.

** Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.

This notice shall be posted at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP,
Counsel to the Corporation

The location is accessible to the handicapped. Those requiring interpreter services for the hearing impaired must notify the Rhode Island Commerce Corporation at 278-9100 forty-eight (48) hours in advance of the meeting. Also for the hearing impaired, assisted listening devices are available onsite, without notice, at this location.

Dated: December 16, 2016

EXHIBIT 1

Agenda Item 3

The application seeks incentives under the Qualified Jobs Incentive Tax Credit program in relation to a proposed relocation from Massachusetts to Woonsocket, RI. Surplus Solutions LLC buys and sells new and used laboratory, biotech, and pharmaceutical equipment globally. The company is proposing to purchase a vacant building in Woonsocket and move its operations in 2017.

Agenda Item 4

The application seeks incentives under the Rebuild Rhode Island Tax Credit program for a mixed-use development project consisting of 91 residential units and 5,300 +/- square feet of commercial space, located in Providence at Chestnut and Friendship Streets. The total development cost for the project is estimated at approximately \$32.8 million and the total requested tax credits are up to a maximum of \$3.0. The development sponsor on the application is Waldorf Capital Management, which manages real estate assets across Rhode Island and Massachusetts.

Agenda Item 5

Virgin Pulse, Inc. (“Virgin Pulse”) seeks incentives under the Rebuild Rhode Island Tax Credit program for tenant fit-out of approximately 88,000 +/- square feet located at 75 Fountain Street, Providence. The total development cost for the project is estimated at approximately \$10.8 million and the total requested tax credits under the Rebuild Tax Credit program are up to a maximum of \$3.2 million. Virgin Pulse is also seeking incentives under the Qualified Jobs Incentive Tax Credit program. Virgin Pulse, a part of the Virgin Group founded by Sir Richard Branson, is a health and wellness tech company that provides an on-line and mobile platform, tools and resources to employers and other organizations to engage their employees and members. The company serves over two million employees from over 250 clients.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT B

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE QUALIFIED JOBS TAX CREDIT ACT

December 19, 2016

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Enabling Act”); and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation received an application for incentives under the Acts in relation to the establishment of a new location by Surplus Solutions, LLC (together with affiliates, successors and assigns, the “Recipient”) to be located in Woonsocket, RI, (the “Project”) which is anticipated to result in the creation of new full-time jobs in the State; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed incentives to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board has received a presentation detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of incentives to the Recipient in accordance with the Act.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Act, the Corporation approves the issuance of the following incentives:
 - a. Under the Act, tax credits to the Recipient pursuant to the schedule annexed hereto as Exhibit 1 not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually; and

2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an incentive agreement between the Corporation and the Recipient meeting the requirements of the Act in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. The creation of not less than the minimum required new full-time jobs under the Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs as required under the Act; (d) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits under the Act;
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 2).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full

extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

Year	Cumulative New Jobs
1	12 New Full-Time Jobs
2-10	16 New Full-Time Jobs

EXHIBIT 2

Rhode Island Commerce Corporation

Qualified Jobs Incentive Tax Credits – Economic Impact Analysis

Surplus Solutions LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Surplus Solutions LLC (the “Company”), a firm that buys and sells used laboratory and biotechnology industry equipment. The credits would be issued in connection with the Company’s decision to relocate its operations from Massachusetts to a site the Company is seeking to acquire in Woonsocket. The Company would initially employ 12 people at its new location, rising to 16 in 2018.

The jobs to be relocated or created would range from management to sales to warehouse operations, with an overall median salary of approximately \$51,000 in 2018. The total value of the requested Qualified Jobs Incentive Tax Credits would be \$454,681 over ten years.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

Based on information provided by the Company, we assume for purposes of this analysis that its relocation to an existing building in Woonsocket will not entail any significant spending on tenant improvements or other construction.

Annual operations

Upon relocating from Massachusetts in 2017, the Company would initially employ 12 full-time workers in Woonsocket, with plans to increase this total to 16 by the end of 2018. Based on data provided by the Company, we estimate that in 2018 its operations in Rhode Island would directly and indirectly account for:

- 24 full-time equivalent jobs in Rhode Island;
- Approximately \$1.8 million in annual earnings (in 2018 dollars);
- \$4.9 million in annual State-wide economic output;¹ and
- An increase of \$3.2 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 1. The project’s *direct impact* is the impact of the Company direct operations – the number of people it employs, the wages it pays, etc. Its *indirect impact* is the effect of spending by the Company’s in-state suppliers and contractors.

¹ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

Table 1: Direct and indirect impact of annual operations, 2018 (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	16	\$1.3	\$2.3	\$3.5
Indirect Effect	8	\$0.5	\$0.9	\$1.4
Total Effect	24	\$1.8	\$3.2	\$4.9

In addition to the impacts cited above, the Company would in 2018 generate a projected gross increase of \$108,000 in taxes paid to the State. These taxes would include approximately:

- \$69,000 in state personal income taxes paid by workers employed at the Company's new location in Woonsocket, or whose jobs are indirectly attributable to that facility's operations;
- \$30,000 in state sales taxes paid on those workers' taxable household spending; and
- \$9,000 in state business corporation taxes.

Benefits

Employee benefits provided by the company include medical, dental and long-term disability insurance and a 401(k) profit-sharing plan.

Hiring

The Company's hiring process includes the following steps:

- Posting available positions on sites such as LinkedIn.com, Monster.com and Indeed.com, and with local colleges
- Reviewing resumes and selection of applicants for informal phone interviews
- Inviting those who do well in phone interviews for in-person interviews with the President, General Manager and/or Vice President for Sales
- Final selection, background checks and extending an offer to the elected applicant

Impact

The state fiscal impact of the requested tax credits is \$454,681 in foregone state revenue. The direct and indirect economic and fiscal benefits of the proposed project include an estimated \$3.2 million increase in Rhode Island's annual GDP starting as of 2018; and a gross increase of approximately \$1.3 million in personal income, sales and business corporation tax revenues directly and indirectly generated by the Company during a twelve-year commitment period.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Any risk that employment (and associated tax revenues) might not reach the level assumed in this analysis (16 employees by 2018) is mitigated by the fact that Qualified Jobs Incentive tax credits will be based on actual employment and wages.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT C

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT
December 19, 2016

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.20 of Title 42 of the General Laws of Rhode Island (the “Rebuild RI Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to certain development projects in the State; and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the tax credit program established by the Rebuild RI Tax Credit Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received an application for tax credits from Waldorf Capital Partners, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a Mixed-Use Project (the “Project”) located at Chestnut and Friendship Streets, Providence, RI which is proposed to consist of approximately ninety-one (91) residential units and an estimated 5,300 +/- square feet of commercial space;

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed issuance of tax credits and a sales and use tax exemption to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board of the Corporation received a presentation inclusive of a term sheet detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of tax credits and a sales and use tax exemption to the Recipient in accordance with the Rebuild RI Tax Credit Act and the Rules.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves the issuance of tax credits to the Recipient in an amount not to exceed Two Million Nine Hundred Seventy-Five Thousand Three Hundred Fifty-Six Dollars (\$2,975,356) and authorizes a sales and use tax exemption in addition to the tax credits of Five Hundred Seventy-Two Thousand Dollars (\$572,000) with any

sales and use tax exemption exceeding said amount reducing the tax credits awarded hereunder dollar for dollar.

2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to Certification of any award of tax credits to the Recipient; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (e) the total amount of Tax Credits awarded for the Project is the lesser of twenty (20%) of the total Project Cost or the amount needed to close the Project Financing Gap; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (i) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Mixed-Use Project.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief

Financial Officer or the Managing Director, Head of Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Darin Early, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: December 19, 2016

The staff of the Rhode Island Commerce Corporation (the “Corporation”) is recommending to the Board of Directors that it approve tax credits pursuant to the Rebuild Rhode Island Tax Credit program. The recommendation is as follows:

- To consider the application of Waldorf Capital Partners, LLC for tax credits of \$2,975,356 for a mixed-use project.

This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.20-6, of the following:

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*
3. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 2



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET
One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430

From: Jonathan Womer, Director of the Office of Management and Budget
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Applications
Date: December 19, 2016

The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors one project for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$6,215,953.40. That recommendation is as follows:

1. That the application submitted by Chestnut Commons be approved for tax credits in a maximum amount of \$2,975,356.00.
2. That the application submitted by Virgin Pulse be approved for tax credits in a maximum amount of \$3,240,597.40.

To date, the Corporation has approved tax credits in the amount of \$42,393,880.52. The approval of an additional \$6,215,953.40 in tax credits would bring the cumulative total of approved credits to \$48,609,833.92. Currently, twenty-six million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits that are proposed for approval. As a result, OMB confirms that the total maximum amount of credits proposed above, i.e. \$6,215,953.40, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits, the aggregate credits approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits allowed under the program.

Furthermore, based on information provided by the Corporation staff concerning the anticipated completion schedule of the project that is the subject of this applications and the likely distribution of credits over the five-year payment period, OMB anticipates the budget impact to the state of the credits, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

The memorandum constitutes OMB's written confirmation pursuant to RIGL § 42-64.20-6(a)(4) and pursuant to Rule 12(a)(3) of the Rules and Regulations for the Rebuild Rhode Island Tax Credit Program. Pursuant to RIGL § 42-64.20-5(m), any disbursements to support the redemption of tax credits for 90% of their value are subject to appropriations, and applicants should be notified accordingly.

Exhibit A

Fiscal Year Impact of Proposed Rebuild Rhode Island Tax Credit Projects

<i>Projects Confirmed as of 1/25/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Bourne Capital Partners	\$0	\$0	\$637,688.00	\$641,518.00	\$484,598.00	\$484,598.00	\$484,598.00	\$0	\$0	\$0	\$2,733,000.00
John M. Corcoran & Co.	\$0	\$0	\$1,675,000.00	\$977,083.33	\$977,083.33	\$977,083.33	\$977,083.33	\$0	\$0	\$0	\$5,583,333.32
Subtotal:	\$0	\$0	\$2,312,688.00	\$1,618,601.33	\$1,461,681.33	\$1,461,681.33	\$1,461,681.33	\$0	\$0	\$0	\$8,316,333.32
<i>Projects Confirmed as of 2/22/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Waldorf Capital Management	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	\$0.00
Case Mead Association, LLC	\$0	\$0	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$0	\$0	\$0	\$2,179,977.00
Subtotal:	\$0	\$0	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$0	\$0	\$0	\$2,179,977.00
<i>Projects Confirmed as of 3/28/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Providence Capital III	\$0	\$0	\$546,485.60	\$910,810.00	\$667,927.80	\$455,404.40	\$455,404.40	\$0	\$0	\$0	\$3,036,032.20
78 Fountain JV Owner, LLC	\$0	\$0	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,023.00	\$0	\$0	\$0	\$6,115,119.00
WinnDevelopment and Omni Development	\$0	\$0	\$1,097,280.00	\$914,400.00	\$548,640.00	\$548,640.00	\$548,640.00	\$0	\$0	\$0	\$3,657,600.00
Subtotal:	\$0	\$0	\$2,866,789.60	\$3,048,234.00	\$2,439,591.80	\$2,227,068.40	\$2,227,067.40	\$0	\$0	\$0	\$12,808,751.20
<i>Projects Confirmed as of 5/09/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
AT Cross Company	\$0	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0	\$0	\$0	\$0	\$400,000.00
Subtotal:	\$0	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0	\$0	\$0	\$0	\$400,000.00
<i>Projects Confirmed as of 5/23/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Union Mills, LLC	\$0	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0	\$0	\$0	\$3,626,403.00
Subtotal:	\$0	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0	\$0	\$0	\$3,626,403.00
<i>Projects Confirmed as 6/27/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
D'Ambra Warwick Hotel LLC	\$0	\$0	\$273,399.00	\$273,398.00	\$273,398.00	\$273,398.00	\$273,398.00	\$0	\$0	\$0	\$1,366,991.00
Ocean State Jobbers, Inc.	\$0	\$0	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$0	\$0	\$0	\$3,100,000.00
Subtotal:	\$0	\$0	\$893,399.00	\$893,398.00	\$893,398.00	\$893,398.00	\$893,398.00	\$0	\$0	\$0	\$4,466,991.00
<i>Projects Confirmed as 8/10/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Finlay Extracts & Ingredients USA, Inc.	\$0	\$0	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
Subtotal:	\$0	\$0	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00

<i>Projects Confirmed as 8/22/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Lippitt Mill LLC	\$0	\$0	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0	\$0	\$0	\$2,103,501.00
Subtotal:	\$0	\$0	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0	\$0	\$0	\$2,103,501.00
<i>Projects Confirmed as 9/26/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Urban Smart Growth, LLC	\$0	\$0	\$713,932.00	\$713,932.00	\$713,931.00	\$713,931.00	\$713,931.00	\$0	\$0	\$0	\$3,569,657.00
Royal Oaks Realty, LLC	\$0	\$0	\$503,435.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,434.00	\$0	\$0	\$0	\$2,517,174.00
Subtotal:	\$0	\$0	\$1,217,367.00	\$1,217,367.00	\$1,217,366.00	\$1,217,366.00	\$1,217,365.00	\$0	\$0	\$0	\$6,086,831.00
<i>Projects Confirmed as 11/21/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
City of Newport	\$0	\$0	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0	\$0	\$0	\$2,128,123.00
Subtotal:	\$0	\$0	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0	\$0	\$0	\$2,128,123.00
<i>Projects Confirmed as 12/19/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Chestnut Commons	\$0	\$0	\$0.00	\$595,072.00	\$595,071.00	\$595,071.00	\$595,071.00	\$595,071.00	\$0	\$0	\$2,975,356.00
Virgin Pulse	\$0	\$301,924.80	\$251,604.00	\$150,962.40	\$150,962.40	\$821,216.40	\$558,545.50	\$335,127.30	\$335,127.30	\$335,127.30	\$3,240,597.40
Subtotal:	\$0	\$301,924.80	\$251,604.00	\$746,034.40	\$746,033.40	\$1,416,287.40	\$1,153,616.50	\$930,198.30	\$335,127.30	\$335,127.30	\$6,215,953.40
ALL PROJECTS TOTAL:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
	\$0	\$381,924.80	\$9,877,655.60	\$9,646,629.73	\$8,881,065.53	\$9,252,389.13	\$8,909,716.23	\$950,198.30	\$355,127.30	\$355,127.30	\$48,609,833.92

EXHIBIT 3

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Waldorf Capital Management LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Waldorf Capital Management LLC (the “Sponsor”). The credits would be issued in connection with the Sponsor’s decision to invest in the development of Chestnut Commons, a residential project to be located on Parcel 30 of the I-195 Redevelopment District in Providence. The project will include:

- 91 residential units in a newly-constructed seven-story building;
- 5,300 square feet of street-level retail and restaurant space;
- 55 covered parking spaces; and
- 5,000 square feet of public open space.
-

The total cost of the proposed project is estimated to be approximately \$32.8 million. The Sponsor is requesting a Rebuild Rhode Island tax credit of \$2,677,820 (net) and a sales and use tax exemption on eligible construction costs valued at \$572,000.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$32.8 million.

Table 1: Estimated total project cost (in \$ millions)

Component	Estimated cost
Land and building acquisition	\$1.5
Building construction (hard cost)	\$27.0
Soft costs	\$4.3
Total	\$32.8

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island’s economy (such as land acquisition, interest costs and operating reserves), the remaining hard and soft costs total \$30.4 million. Appleseed estimates that direct expenditures of \$30.4 million will directly and indirectly generate:

- 250 person-years² of work in Rhode Island;
- \$13.5 million in earnings;
- Approximately \$42.5 million in statewide economic output³; and
- A one-time increase of approximately \$21.1 million in Rhode Island’s GDP.
-

These impacts are summarized below in Table 2. The project’s *direct impact* is the impact of the company’s direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	150	\$9.0	\$13.6	\$30.3
Indirect Effect	100	4.5	7.5	12.3
Total Effect	250	\$13.5	\$21.1	\$42.6

In addition to the impacts cited in Table 2, direct expenditures of \$30.4 million would directly and indirectly generate a projected one-time increase of approximately \$792,000 in taxes paid to the State during construction. These taxes would include approximately:

- \$507,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$221,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$64,000 in state business corporation taxes paid by companies directly or indirectly working on the project.
-

Most of the activity reflected in Table 2 is expected to occur between the spring of 2017 and the fall of 2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ⁴
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

² A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

³ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

⁴ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

After construction is completed, ongoing operations at Chestnut Commons will include:

- The operations of tenant businesses occupying the proposed 5,300 square feet of street-level commercial space – retail tenants that the Sponsor expects to employ 20 people (on a full-time-equivalent basis) and a fitness center employing 2 FTE’s; and
- Management and maintenance of the new building.

Based on these assumptions, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which for purposes of this analysis is assumed to occur in 2019), it will directly and indirectly account for:

- 31 FTE jobs in Rhode Island;
- Approximately \$1.23 million in annual earnings (in 2019 dollars);
- Approximately \$2.86 million in annual statewide economic output; and
- An increase of approximately \$1.85 million in Rhode Island’s annual GDP.
-

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2019 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	27	\$0.99	\$1.39	\$2.11
Indirect Effect	4	0.24	0.46	0.75
Total Effect	31	\$1.23	\$1.85	\$2.86

In addition to the impacts cited in Table 4, ongoing operations at Chestnut Commons would directly and indirectly generate a projected increase of approximately \$72,000 in taxes paid annually to the State. These taxes would include approximately:

- \$46,000 in state personal income taxes paid by Rhode Island workers employed directly at Chestnut Commons, or whose jobs are indirectly attributable to tenant and building operations;
- \$20,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$6,000 in state business corporation taxes directly or indirectly attributable to building and tenant company operations.

Workers who fill retail, fitness and building services jobs at Chestnut Commons are expected to be drawn primarily from Providence or from other nearby communities.

Impact

The state fiscal impact of the requested tax credits and sales and use tax exemptions is up to \$3,249,820 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$1.85 million, the estimated associated job creation, and the gross increase of nearly \$1.66 million in state personal income, sales and business corporation tax revenues during the construction phase and during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Increase the supply of housing in the I-195 Redevelopment District
- Expand retail and restaurant options in the District
- Create new, green open space in the District
- Increase local real property tax revenues

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT D

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT AND
THE QUALIFIED JOBS TAX CREDIT ACT

December 19, 2016

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Enabling Act”); and

WHEREAS: Chapter 64.20 of Title 42 of the General Laws of Rhode Island (the “Rebuild Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to certain development projects in the State; and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Jobs Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation received an application for incentives under the Acts in relation to certain projects by Virgin Pulse, Inc., (together with its affiliates, successors and assigns, the “Recipient”) for the fit-out of approximately 29,000 square feet (“Phase I”) and 59,00 square feet (“Phase II”, together with Phase I, the “Project”) at 75 Fountain Street, Providence, Rhode Island; and

WHEREAS: The Corporation has received information from the Recipient establishing that it has an existing alternative location in Massachusetts to expand its operations and the additional estimated cost of moving and expanding operations in Rhode Island versus Massachusetts gives rise to a Project Financing Gap under the Rebuild Act; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed incentives to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board received a presentation inclusive of two term sheets detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of incentives to the Recipient in accordance with the Acts.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Acts, the Corporation approves the issuance of the following incentives:
 - a. Under the Rebuild Act, tax credits (the “Rebuild Tax Credits”) to the Recipient in an amount not to exceed Three Million Two Hundred Forty Thousand Five Hundred Ninety-Eight Dollars (\$3,240,598) and a sales and use tax exemption, which shall reduce the Rebuild Tax Credits to the extent such exemption exceeds Three Hundred Forty-One Thousand Seven Hundred Eighty-Nine Dollars (\$341,798).
 - b. Under the Jobs Act, tax credits to the Recipient pursuant to the schedule annexed hereto as Exhibit 1 not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually; and
2. The authorization provided herein is subject to the following conditions:
 - a. The total Rebuild Tax Credits shall not exceed Three Million Two Hundred Forty Thousand Five Hundred Ninety-Eight Dollars (\$3,240,598) and shall be apportioned to each Phase such that the Rebuild Tax Credits are not greater than thirty percent (30%) of the actual Project Cost for such Phase of the Project.
 - b. The execution of one or more incentive agreements between the Corporation and the Recipient meeting the requirements of the Acts in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - c. Prior to certification of any award of incentives to the Recipient for Phase I, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the rules and regulations adopted in relation to the Rebuild Act (the “Rebuild Rules”) in regard to Phase I; provided, however, that the Board hereby finds that the Project is located in a Hope Community and determines that Phase I shall be exempt from the standard minimum Project Cost requirement of the Rebuild Act of \$5,000,000.
 - d. Prior to certification of any award of incentives to the Recipient under the Rebuild Act for Phase II, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the Rebuild Rules in relation to Phase II;
 - e. The creation of not less than the minimum required new full-time jobs under the Jobs Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; and
 - f. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.

3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs as required under the Jobs Act; (d) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits under the Jobs Act; (e) that the Recipient's equity in the Project is not less than twenty percent (20%) of the total project cost and otherwise meets the project cost criteria of the Rebuild Act; (f) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild Act and the Rebuild Rules; (g) the total amount of Tax Credits awarded for the Project is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (h) the Project involves the development of a Recognized History Structure within the meaning of Rule 7(b)(1) and tax credits in the amount of Three Hundred Twenty-Four Thousand Sixty Dollars (\$324,060) is allocable to this criteria; (i) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (j) the Secretary of Commerce has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (k) the Office of Management and Budget has provided written confirmation required under the Rebuild Act (a copy of which is annexed hereto as Exhibit 3); and (l) the Recipient has demonstrated that it will otherwise satisfy the eligibility requirements of Rule 6 of the Rebuild Rules for a commercial project.
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 4).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon adoption.

EXHIBIT 1

Year	Cumulative New Jobs
1	57 New Full-Time Jobs
2	100 New Full-Time Jobs
3	152 New Full-Time Jobs
4	215 New Full-Time Jobs
5	292 New Full-Time Jobs

EXHIBIT 2

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Darin Early, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: December 19, 2016

The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve tax credits pursuant to the Rebuild Rhode Island Tax Credit program. The recommendation is as follows:

- To consider the application of Virgin Pulse, Inc., for tax credits of \$3,240,598 for a commercial project.

This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.20-6, of the following:

4. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
5. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*
6. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 3



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET
One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430

From: Jonathan Womer, Director of the Office of Management and Budget
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Applications
Date: December 19, 2016

The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors one project for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$6,215,953.40. That recommendation is as follows:

1. That the application submitted by Chestnut Commons be approved for tax credits in a maximum amount of \$2,975,356.00.
2. That the application submitted by Virgin Pulse be approved for tax credits in a maximum amount of \$3,240,597.40.

To date, the Corporation has approved tax credits in the amount of \$42,393,880.52. The approval of an additional \$6,215,953.40 in tax credits would bring the cumulative total of approved credits to \$48,609,833.92. Currently, twenty-six million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits that are proposed for approval. As a result, OMB confirms that the total maximum amount of credits proposed above, i.e. \$6,215,953.40, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits, the aggregate credits approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits allowed under the program.

Furthermore, based on information provided by the Corporation staff concerning the anticipated completion schedule of the project that is the subject of this applications and the likely distribution of credits over the five-year payment period, OMB anticipates the budget impact to the state of the credits, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

The memorandum constitutes OMB's written confirmation pursuant to RIGL § 42-64.20-6(a)(4) and pursuant to Rule 12(a)(3) of the Rules and Regulations for the Rebuild Rhode Island Tax Credit Program. Pursuant to RIGL § 42-64.20-5(m), any disbursements to support the redemption of tax credits for 90% of their value are subject to appropriations, and applicants should be notified accordingly.

Exhibit A

Fiscal Year Impact of Proposed Rebuild Rhode Island Tax Credit Projects

<i>Projects Confirmed as of 1/25/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
Bourne Capital Partners	\$0	\$0	\$637,688.00	\$641,518.00	\$484,598.00	\$484,598.00	\$484,598.00	\$0	\$0	\$0	\$2,733,000.00
John M. Corcoran & Co.	\$0	\$0	\$1,675,000.00	\$977,083.33	\$977,083.33	\$977,083.33	\$977,083.33	\$0	\$0	\$0	\$5,583,333.32
Subtotal:	\$0	\$0	\$2,312,688.00	\$1,618,601.33	\$1,461,681.33	\$1,461,681.33	\$1,461,681.33	\$0	\$0	\$0	\$8,316,333.32
<i>Projects Confirmed as of 2/22/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Waldorf Capital Management	\$0	\$0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0	\$0	\$0	\$0.00
Case Mead Association, LLC	\$0	\$0	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$0	\$0	\$0	\$2,179,977.00
Subtotal:	\$0	\$0	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$435,995.40	\$0	\$0	\$0	\$2,179,977.00
<i>Projects Confirmed as of 3/28/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Providence Capital III	\$0	\$0	\$546,485.60	\$910,810.00	\$667,927.80	\$455,404.40	\$455,404.40	\$0	\$0	\$0	\$3,036,032.20
78 Fountain JV Owner, LLC	\$0	\$0	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,023.00	\$0	\$0	\$0	\$6,115,119.00
WinnDevelopment and Omni Development	\$0	\$0	\$1,097,280.00	\$914,400.00	\$548,640.00	\$548,640.00	\$548,640.00	\$0	\$0	\$0	\$3,657,600.00
Subtotal:	\$0	\$0	\$2,866,789.60	\$3,048,234.00	\$2,439,591.80	\$2,227,068.40	\$2,227,067.40	\$0	\$0	\$0	\$12,808,751.20
<i>Projects Confirmed as of 5/09/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
AT Cross Company	\$0	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0	\$0	\$0	\$0	\$400,000.00
Subtotal:	\$0	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0	\$0	\$0	\$0	\$400,000.00
<i>Projects Confirmed as of 5/23/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Union Mills, LLC	\$0	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0	\$0	\$0	\$3,626,403.00
Subtotal:	\$0	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0	\$0	\$0	\$3,626,403.00
<i>Projects Confirmed as 6/27/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
D'Ambra Warwick Hotel LLC	\$0	\$0	\$273,399.00	\$273,398.00	\$273,398.00	\$273,398.00	\$273,398.00	\$0	\$0	\$0	\$1,366,991.00
Ocean State Jobbers, Inc.	\$0	\$0	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$0	\$0	\$0	\$3,100,000.00
Subtotal:	\$0	\$0	\$893,399.00	\$893,398.00	\$893,398.00	\$893,398.00	\$893,398.00	\$0	\$0	\$0	\$4,466,991.00
<i>Projects Confirmed as 8/10/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Finlay Extracts & Ingredients USA, Inc.	\$0	\$0	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
Subtotal:	\$0	\$0	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00

<i>Projects Confirmed as 8/22/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Lippitt Mill LLC	\$0	\$0	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0	\$0	\$0	\$2,103,501.00
Subtotal:	\$0	\$0	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0	\$0	\$0	\$2,103,501.00
<i>Projects Confirmed as 9/26/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Urban Smart Growth, LLC	\$0	\$0	\$713,932.00	\$713,932.00	\$713,931.00	\$713,931.00	\$713,931.00	\$0	\$0	\$0	\$3,569,657.00
Royal Oaks Realty, LLC	\$0	\$0	\$503,435.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,434.00	\$0	\$0	\$0	\$2,517,174.00
Subtotal:	\$0	\$0	\$1,217,367.00	\$1,217,367.00	\$1,217,366.00	\$1,217,366.00	\$1,217,365.00	\$0	\$0	\$0	\$6,086,831.00
<i>Projects Confirmed as 11/21/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
City of Newport	\$0	\$0	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0	\$0	\$0	\$2,128,123.00
Subtotal:	\$0	\$0	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0	\$0	\$0	\$2,128,123.00
<i>Projects Confirmed as 12/19/16</i>	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Chestnut Commons	\$0	\$0	\$0.00	\$595,072.00	\$595,071.00	\$595,071.00	\$595,071.00	\$595,071.00	\$0	\$0	\$2,975,356.00
Virgin Pulse	\$0	\$301,924.80	\$251,604.00	\$150,962.40	\$150,962.40	\$821,216.40	\$558,545.50	\$335,127.30	\$335,127.30	\$335,127.30	\$3,240,597.40
Subtotal:	\$0	\$301,924.80	\$251,604.00	\$746,034.40	\$746,033.40	\$1,416,287.40	\$1,153,616.50	\$930,198.30	\$335,127.30	\$335,127.30	\$6,215,953.40
ALL PROJECTS TOTAL:	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
	\$0	\$381,924.80	\$9,877,655.60	\$9,646,629.73	\$8,881,065.53	\$9,252,389.13	\$8,909,716.23	\$950,198.30	\$355,127.30	\$355,127.30	\$48,609,833.92

EXHIBIT 4

Rhode Island Commerce Corporation
Rebuild Rhode Island and Qualified Jobs Incentive Tax Credits – Economic Impact Analysis
Virgin Pulse, Inc. Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits and Qualified Jobs Incentive tax credits to Virgin Pulse, Inc. (“the Company”),⁵ The credits would be issued in connection with Virgin Pulse’s decision to relocate its 20 employees from Framingham, Massachusetts to leased space in an existing building at 75 Fountain Street in Providence in 2017, and to increase its employment at that site in stages to 292 in 2021.

The Company provides an on-line and mobile platform, tools and resources that employers and other organizations can use to encourage employees and members to engage in behaviors that support health and wellness.

The Company plans to invest \$10.8 million over five years in tenant improvements, fixtures, furniture and equipment, and is requesting:

- Rebuild Rhode Island tax credits of \$3,240,598;
- An exemption from the State’s sales and use tax on eligible costs associated with building out and equipping its leased space, valued by the Company at \$341,798; and
- Qualified Jobs Incentive tax credits of \$2,855,701.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Company’s estimate of its investment at its new location is \$10.8 million.

Table 1: Estimated total project cost (in \$ millions)

Component	Estimated cost
Tenant improvements	\$8.4
Fixtures, furniture, office equipment	\$1.7
Information technology	\$0.7
Total	\$10.8

⁵ As of December 31, 2016 Virgin Pulse Inc. and ShapeUp Inc. will merge and will thereafter operate solely as Virgin Pulse Inc.

Appleseed estimates that from 2017 through 2021, direct expenditures of \$10.8 million will directly and indirectly generate:

- 62 person-years⁶ of work in Rhode Island;
- \$3.8 million in earnings;
- \$11.1 million in statewide economic output⁷; and
- A temporary increase of more than \$5.8 million in Rhode Island’s GDP.

These impacts are summarized below in Table 2. The project’s *direct impact* is the impact of the company’s direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	47	\$3.0	\$4.4	\$8.8
Indirect Effect	15	0.8	1.4	2.3
Total Effect	62	\$3.8	\$5.8	\$11.1

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$10.8 million would generate a projected one-time increase of approximately \$216,000 in taxes paid to the state during construction, including:

- \$143,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$55,000 in state sales taxes paid on those workers’ taxable household spending;
- \$18,000 in state business corporation taxes.

Most of the activity reflected in Table 2 is expected to occur between 2017 and 2021. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ⁸
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04

⁶ A person-year is equivalent to the time worked by one person who is employed full-time for a year. In this case, 62 person-years of work would represent an average of 12.2 full-time-equivalent jobs each year for five years.

⁷ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

⁸ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

As shown below in Table 4, the number of workers the Company will employ in Providence is expected to rise from 57 relocated and new positions in 2017 to 292 in 2021.⁹

Table 4: Growth of Virgin Pulse employment in RI, 2017-2021

Year	Number employed
2017	57
2018	100
2019	152
2020	215
2021	292

Based on these estimates, Appleseed projects (as shown below in Table 5) that in 2021 the Company will directly and indirectly account for:

- 628 FTE jobs in Rhode Island;
- Approximately \$46.2 million in annual earnings (in 2021 dollars);
- Approximately \$150.5 million in annual statewide economic output; and
- An increase of approximately \$58.9 million in Rhode Island’s annual GDP.

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2021 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	292	\$23.3	\$25.2	\$94.7
Indirect Effect	336	22.9	33.7	55.8
Total Effect	628	\$46.2	\$58.9	\$150.5

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company’s operations would generate a projected increase of approximately \$2.7 million in taxes paid to the state in 2021, including:

⁹ In addition to these 292 relocated and new jobs, employment at Virgin Pulse will include 63 positions now held by people who are already employed in Rhode Island by ShapeUp Inc., which is being acquired by Virgin Pulse. The number of people employed at Virgin Pulse in 2021 would thus total 355. However, because these already-existing jobs do not represent a net addition to the state’s economy, they are not included in our analysis.

- \$1.733 million in state personal income taxes paid by workers employed at Virgin Pulse, or whose jobs are indirectly attributable to the company's operations and in Rhode Island;
- \$756,000 in state sales taxes paid on those workers' taxable household spending; and
- \$219,000 in state business corporation taxes.

Workers employed by the Company are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Benefits

The Company offers its full-time employees a comprehensive benefits Package, including a choice between two health plans, dental and vision coverage, health savings accounts, dependent care flexible spending accounts, a 401(k) retirement plan with a company match, paid vacation and holidays and employee discounts.

Hiring

Virgin Pulse posts all available positions on its own website and on other sites such as LinkedIn and Indeed.com. Current employees may also refer candidates and are eligible to receive a bonus if their candidates are hired.

After a review of all resumes received, applicants are selected for preliminary telephone interviews with the hiring manager. Those whom the hiring manager selects for further consideration will then be scheduled for a second interview. After the second interview, background checks are conducted on all applicants who have been selected for hiring, and offers are extended to the selected candidates.

Impact

The state fiscal impact of the requested tax credits and sales tax exemption is up to \$6,438,097 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP (in 2021) of \$58.9 million, the estimated associated job creation, and the gross increase of approximately \$10.5 million in personal income, sales and business corporation tax revenues during the construction phase and ongoing operations during the six years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways:

- Contribute to the ongoing revitalization of downcity Providence;
- Support the development of retail and restaurant space at 75 Fountain Street and at other nearby locations;
- Reinforce the state's attractiveness as a location for fast-growing digital media companies;
- Increase local real property tax revenues.
-

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that Rebuild Rhode Island tax credits will be payable only upon completion of the first and second phases of construction. The risk

of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly. Moreover, if the final value of the requested sales and use tax exemption exceeds the estimate cited on p.1, the increased value of that exemption would be offset by a reduction in the value of the approved Rebuild Rhode Island tax credits.

Similarly, Qualified Jobs Incentive tax credits will be determined on the basis of salaries and wages actually paid.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT E

Air Service Development Fund

Proposal Evaluation Principles

The Rhode Island Commerce Corporation (the "Corporation"), pursuant to the Air Service Development Fund Act (the "Act"), R.I. Gen. Laws § 42-64.32 *et seq.*, may provide financial incentives, revenue guarantees, and/or other support ("Incentives") to scheduled air carriers and/or cargo carriers ("Carriers") to incentivize new or additional air service and/or new or additional routes to and from T.F. Green Airport. The Corporation has established the Air Service Development Council ("Council") in order to evaluate proposals and, where appropriate, approve Incentives for increased service. The Council has established these principles (the "Principles") to set forth the criteria it will use in evaluating Incentive proposals, *see* R.I. Gen. Laws § 42-64.32-3(d); to further the program integrity goals of the Act, namely, to ensure compliance with the terms and conditions of the Act, to safeguard the expenditure of public funds, and to ensure that the award of Incentives furthers the objectives of the Air Service Development Fund, *see* R.I. Gen. Laws § 42-64.32-4; and to establish accountability standards, risk analysis standards, and program objectives in accordance with the Corporation's enabling law, *see* R.I. Gen. Laws § 42-64-36.

These Principles do not create any legal rights, duties, obligations, or defenses, implied or otherwise, for any person or negate the Corporation's or the Council's discretion under the Act

Notwithstanding anything contained in these Principles to the contrary, the Corporation and the Council shall have and may exercise all general powers and discretion set forth in the Act as necessary or convenient to effect its purposes. These Principles are effective as of November 18, 2016 and shall remain in effect until such time as they are amended, superseded, or repealed.

A. Evaluation Criteria

The Council will judge proposals based on the following criteria:

1. Increase in Service. The Council will assess whether, based on the information as presented and any additional information that the Council may require, the new or additional flight commitment from a Carrier in exchange for the Incentive represents an increase in commercial passenger or cargo service, as represented by a new route or a substantial increase in current service. The length of the commitment in terms of years of service may be taken into account. *See* RIGL §42-64.32-3.
2. Financial Assumptions and Implications. Corporation staff will evaluate and the Council will consider the Carrier's financial assumptions and implications for the route and market conditions that necessitate provision of an incentive.

Among the additional criteria the Council may consider are:

3. Route. The Council will consider the strategic priority of the proposed route according to the following guidelines:
 - i. Support of Statewide Economic Goals. Consideration will be given to the potential positive impact on the overall economic climate of the state, business attraction,

tourism, growth of advanced industries characterized by those with high level of research and development expenditures and reliance on science, technology, design, engineering, and mathematics, and overall job growth.

- ii. Type of Service. A goal of the Corporation is to help spur economic activity across several development categories that, when combined, support a dynamic economy that is positioned for long-term growth.
 - iii. Amount of Incentive. Giving consideration to the scarcity of taxpayer resources and the desire to achieve a balanced development outcome, the Council will seek to deploy Incentives in a manner so as to attempt to maximize their overall economic impact.
 - iv. Leveraging of Other Sources of Funds. Giving consideration to the scarcity of taxpayer resources and the desire to access all additional appropriate sources of capital to support economic development goals, the Council will consider the degree to which the other sources of public, quasi-public and/or private capital are leveraged, and the degree to which the granting of such Incentives encourages and enhances further public, quasi-public or private capital development opportunities.
 - v. Other Societal Benefits. Consideration may be given to any other societal benefits that may result from the Incentives that are not otherwise captured in other factors considered in these Principles.
4. Economic Impact. Corporation staff will provide the Council with an economic impact analysis of the increased service for the Council to consider and will at a minimum consider the 1) number of jobs, direct and indirect, to be created by the increase in service, and 2) the revenue impact to the State of the increased service.

B. Risk Assessment

The Corporation staff will perform and the Council will consider an analysis and assessment of the risks related to the proposed Incentives. This analysis will include, collectively, the following considerations, among any others deemed relevant by the Council:

1. Execution Risk. This factor considers, among other things:
 - i. The qualifications and experience of the Carrier, including an assessment of the Carrier's experience, track record, good standing, and general likeliness to effectively operate the routes; and
 - ii. The general financial condition of the Carrier.
2. Market Factors. This factor considers, among other things:
 - i. The Carrier's proposed city pairing(s),

- ii. Reasonable evidence of market conditions necessitating provision of the incentive; and
 - iii. The potential to mitigate changes in the cost of operating the route.
3. Structure. This factor considers, among other things:
- i. The form of incentive, whether direct cash incentive, revenue guarantee, or other form,
 - ii. The duration of the incentive; and
 - iii. A maximum financial exposure of the Corporation under an agreement with a Carrier, not to exceed the uncommitted balance of the Fund.

C. Determination

Based upon the above factors, the Council will make a determination, in its sole discretion, whether to award Incentives. Staff will make written and verbal presentations of recommended Incentive transactions to the Council. Such recommendations will be based on an assessment of the project's impact and risk, if any, to the Corporation, the state, or taxpayers.

D. Carrier Performance

The Council shall enter into an incentive agreement ("Incentive Agreement") with the Carrier prior to the provision of any funding. The Incentive Agreement shall require the following performance measures, at a minimum, among others:

- 1. Monthly and annual financial performance of the route, data detailing the projected vs. actual utilization of the route, and the origin and destination of passengers utilizing the route.
- 2. A provision for audit rights for relevant records.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT F

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

December 19, 2016

(With Respect to the P-Tech Programs)

WHEREAS, the Board of Directors (the “Board”) of the Rhode Island Commerce Corporation (the “Corporation”) has received information and a presentation regarding the development of a Pathways in Technology Early College High School program (“P-TECH Program”) for the following:

A partnership between the Woonsocket public school district, the Community College of Rhode Island, and CVS Health, for a P-TECH Program in Woonsocket focused on providing students with the skills and credentials needed by the healthcare industry;

WHEREAS, the Board has determined that school district selected to participate in the P-TECH Program will have to make immediate investments that are in excess of its existing budget, and that the district will need to hire a dedicated director for its P-TECH Program in order to ensure that all of the required program elements are in place by the fall of 2017;

WHEREAS, the Board has determined that it is economically beneficial to expend funds allocated to support high school, college, and employer partnerships (the “Fund”) for the purpose of provide school districts participating in the P-TECH Program with funding to hire a dedicated director for each initial program and to cover additional program start-up costs;

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation approves a grant award from the Fund to the Woonsocket public school district in the amount of \$200,000.

Section 2: The foregoing grant award is restricted to payment of the following:

- a. Salary for a P-TECH Program director for up to the first two years of the program;
- b. Non-recurring expenses relating to the initial development of the program; and
- c. Recurring expenses that will be absorbed into the school district’s budget by the beginning of the third year of the program.

Section 3: Any of the Chairperson, Vice Chairman, Secretary of Commerce, President & Chief Operating Officer, and/or Chief Financial Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the transactions authorized herein.

Section 4: This Resolution shall take effect immediately upon passage by the Board.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT G



RI Commerce Corporation Business Development Strategy

December 2016
Hilary Fagan
EVP Business Development



Index

1. Objective
2. Areas of Focus
3. Organization/Team
4. Lead Sources
5. Tactics
6. Addendum

Objective

GOAL:

Attract private sector investment to create quality jobs in Rhode Island

Input:

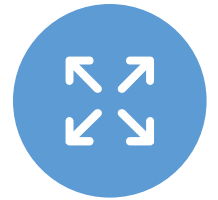
Steady pipeline of promising leads



Attract

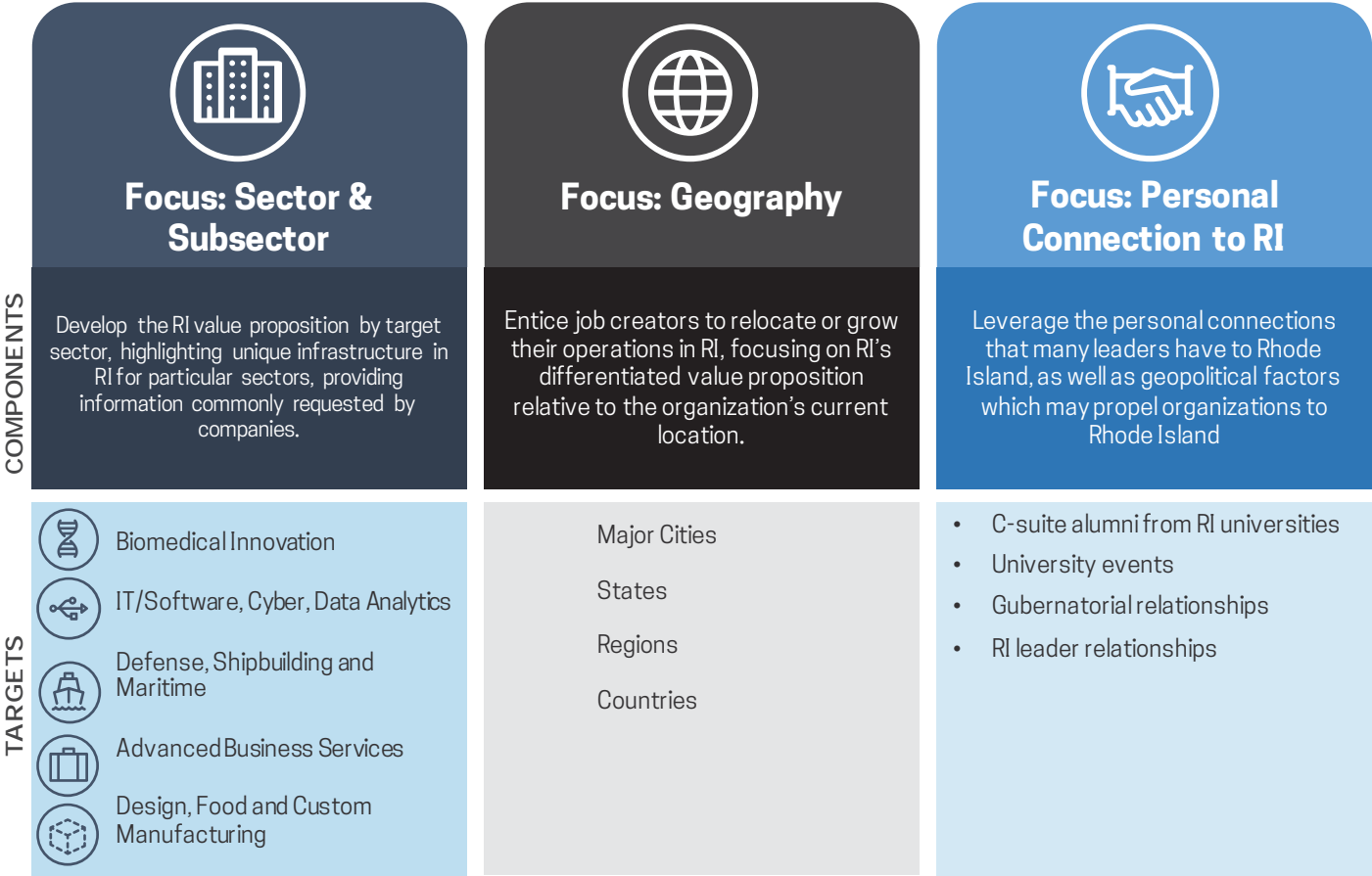


Grow

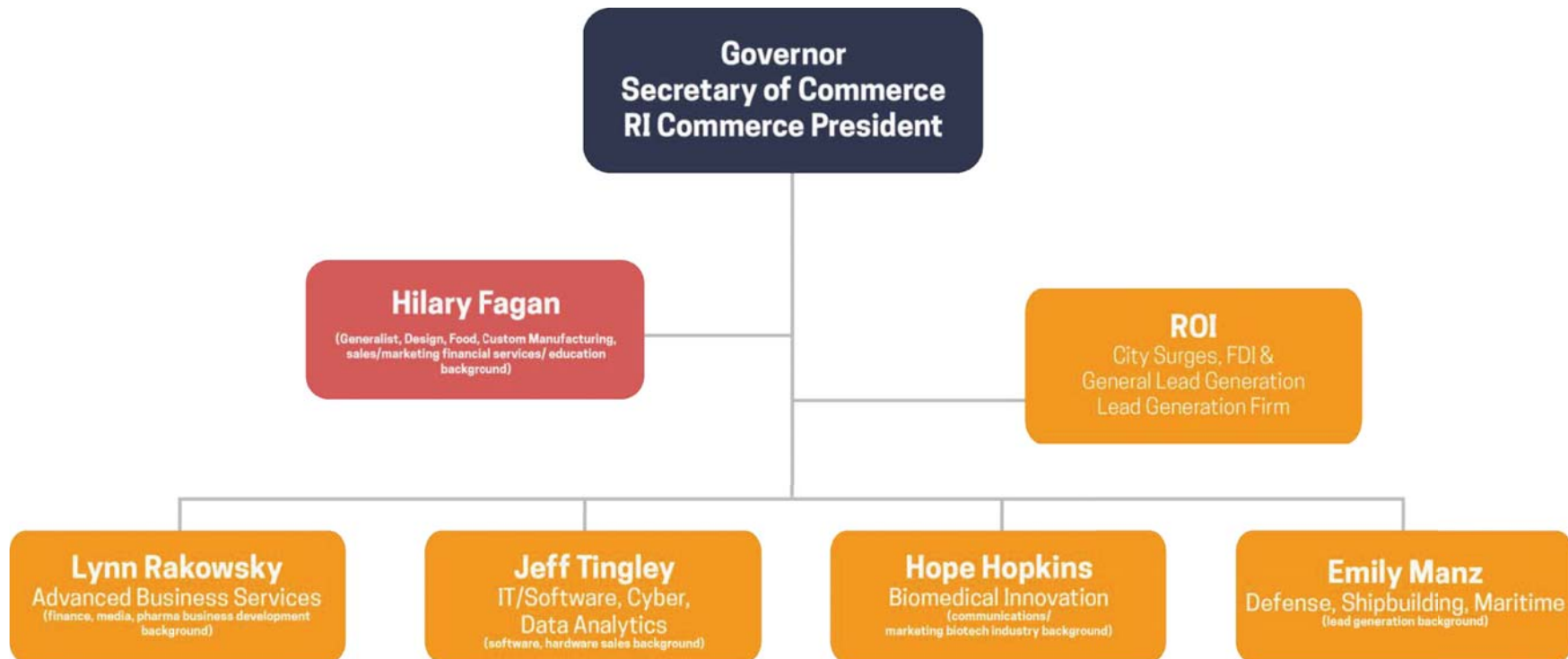


Expand

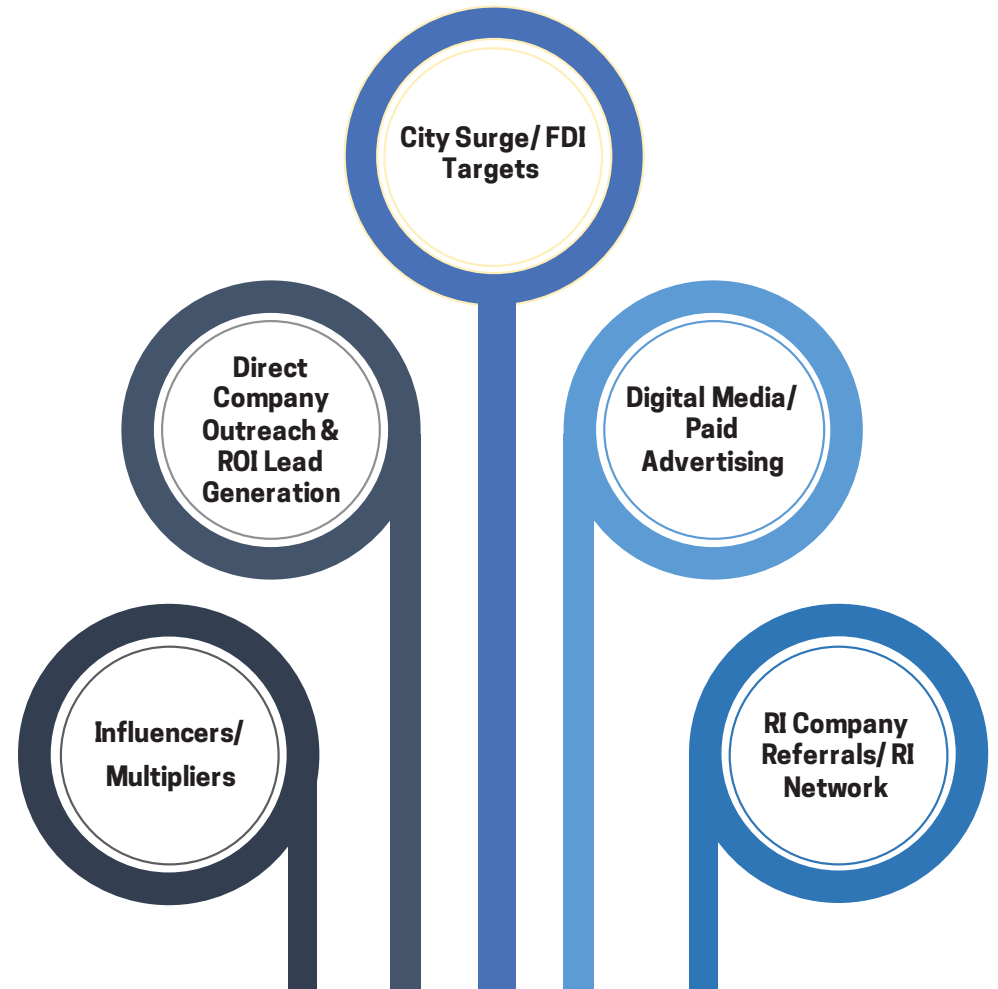
Areas of Focus



Organization/Team



Lead Sources



Tactics

Build Relationship

Research RI connections

LinkedIn research, utilize influencers i.e. commercial real estate, venture capitalists, university relationships

Show Value Add

Commerce, EOC, GOV calls, meetings, persistent communication

Increase awareness

Partnering with Commerce marketing team; paid advertising, digital media

Tailor message

Relevant news articles, regular reminders about RI advantages, eblasts, case studies

Qualified Lead



Addendum



Key Messaging

(Data Analytics, pg. 1)

RHODE ISLAND KNOWS BIG DATA

#1 ON BROOKINGS REPORT FOR ADVANCED INDUSTRY JOB GROWTH IN NEW ENGLAND

RHODE ISLAND'S BIG DATA INDUSTRY KNOWS THE IMPORTANCE OF CROSS-POLLINATION

- No. 14** on State Innovation Index (Bloomberg, 2016)
- No. 3** high-tech density (Bloomberg, 2016)
- No. 8** highest employee retention rate in the software industry (U.S. BLS)

\$295 MILLION Infrastructure investments at Rhode Island universities that will produce over 345,000 square feet of big data and engineering research and collaboration facilities

BOASTS THE NATION'S MOST COMPREHENSIVE TECH TALENT DEVELOPMENT PIPELINE

<TECH/HIRE> **P-TECH** Computer Science for Rhode Island

9 universities offering cybersecurity and/or digital forensics in fall 2016

No. 1 Applied math (USA Today, 2016)

No. 5 Applied math (USA Today, 2016)

STRONGLY ROOTED TECHNOLOGY, BROADBAND AND FACILITIES INFRASTRUCTURE

- No. 2** In U.S. for broadband infrastructure (Business Facilities, 2016)
- No. 4** In U.S. for broadband leaders/digital infrastructure (Business Facilities, 2016)
- 18 PERCENT** Industry concentration higher than U.S. average (Brookings Institute, 2016)

Logos: THE UNIVERSITY OF RHODE ISLAND, BROWN, JOHNSON & WALES, BRYANT UNIVERSITY

Key Messaging

(Data Analytics, pg. 2)

RHODE ISLAND CONNECTS THE DOTS FOR BUSINESS

RHODE ISLAND FOCUSES ON YOUR FINANCIAL FUTURE

- \$4B** Rhode Island taxpayer savings over the coming years due to recent pension reforms
- Current top income tax rate, down from 9.9% **5.99%**
- Current corporate tax rate, down from 9% **7%**
 - Lowest tax rate in New England
- Last time Rhode Island raised sales tax **1990**

UNPARALLELED LIVING

"The capital of Rhode Island has always punched above its weight in terms of smarts and creativity. But lately Providence has added a few new bullet points to its résumé—like a celebrated food scene and a high-style party hotel—that cement its rep as the coolest city you haven't been to. Yet." —GQ

"News Flash! World's Tiniest State Pops Out Coolest City!"

Contact the Rhode Island Commerce Corporation for more on what Rhode Island can do for you

Web: www.commerceri.com
Phone: 401-278-9100
Email: Info@commerceri.com

LESS THAN AN HOUR DRIVE AWAY

- 103** NUMBER OF COLLEGES AND UNIVERSITIES
Source: colleges.com/news/articles/2016/06/01/colleges-universities-rhode-island/
- 15** NUMBER OF U.S. FORTUNE 500 COMPANIES
Source: data.fortune.com/fortune500
- 130K** TECH AND ENGINEERING PROFESSIONALS
Source: www.sls.gov/why/whyrhode.htm
- 149** NUMBER OF INC. 5000 FASTEST-GROWING PRIVATE COMPANIES IN AMERICA
Source: www.inc.com/inc5000/feb/2016/
- \$5.78B** DOLLARS OF VENTURE CAPITAL INVESTED IN 362 COMPANIES
Source: rivca.org/pressroom/2016-06-16/rivca-capital-investment-qualified-133-million-2016/

Strategic Collaboration Greater Chamber of Commerce

Big Data Summit, Boston

- Showcasing RI Value
- Highlighting Chief Innovation Officer
- 1 on 1 company meetings
- New booth design and material
- Social Media Platform

Chamber Collaboration

- Weekly meetings
- Event co-sponsorships
- Targeted outreach initiatives: additional industry events & city surges
- Referrals from current RI business leaders



**RHODE
ISLAND**



**RHODE ISLAND
COMMERCE CORPORATION**

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COMMERCERI.COM



DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT H



2016 Year-End Recap

The Rhode Island Commerce Corporation Initiatives



Business Development*

*Slides reflects CommerceCorp staff only

Number of FTE

4.5



Touchpoints  =100



1400



- Defense Shipbuilding Maritime 18%
- Biomedical Innovation 18%
- Advanced Business Services 8%
- Energy 8%
- IT-Software, Cyber and Data Analytics 15%
- Design, Food, Custom Manufacturing 28%
- Other 5%



Meet and Greet

50

Meetings 85

New Opportunities

39



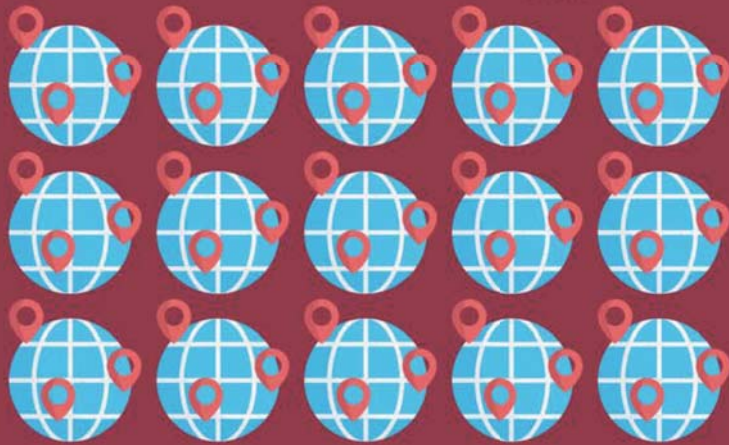
Client Services

Business Navigation Center

One Stop Shop for all business inquiries
Connect to resources, resolve issues, hand hold



Road Shows



150

Attendees

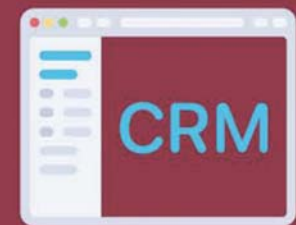


2500

STAT Cases 25

(Statewide Action Team)

Salesforce CRM /Data Tool



Increased usage across all platforms

Investments

2016 Programs Overview

(Rebuild RI, Qualified Jobs, TIF, TSA)

Number of deals

26



Number of jobs created

5678



= 100 = Qualified Jobs = Real Estate Driven Direct Jobs (construction & ongoing)



Real Estate Incentives

\$55,606,433

Total project size

\$502,537,684

2,276,671 SF

1,029 Residential Units



Financial Services

Innovation Grants

27 Grants

TOTALING
\$5.65M

STAFF **5** Entities

Commerce Corporation Bonds

9 Transactions



TOTALING:
\$830.8M

SBLF

(Small Business Loan Fund)



20 Transactions

\$5.4M
Transactions

Renewable Energy Fund

2016 funding



Small Scale
\$1.5M

Commercial
\$7.2M

Operations

Audits



1

Performance

&

5

Unqualified Opinions

Special Projects



- New Phone/Payroll/HR systems
- Upgraded Network
- Emergency Management/Facility Planning-Draft

Onboarded

21

Marketing, Business Development & Investments



Marketing

Business Attraction

15
Twitter Takeovers

+123%
Social Media
Followership

+178%
Website Visits YOY

Fall Campaign
Oct. 1 - Dec. 31

*Chief Executive
Crain's Business
Fast Company*

Creative Production



60

Design projects
in queue

Tourism

Summer and Fall Ad Campaign

5x

MIY Average Click Thru Rate

+37%
Website Visits
YOY



+49%
Social Media
Followership

Earned Media

226
Editorial Features

892M
Media Impressions

\$8.3M
AVE

Hosted Press:
*USA Today, Huffington Post,
Condé Nast Traveler and
New York Magazine* 7

275 Sales Appointments with
International Tour Operators

14
Countries

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT I

**RHODE ISLAND COMMERCE CORPORATION
FORMAL RECORD OF ACTION**

The following is a formal record of action taken by the governing body of Rhode Island Commerce Corporation (the "Employer").

With respect to the amendment of the Rhode Island Commerce Corporation Flexible Benefits Plan (the "Plan"), the following resolutions are hereby adopted:

RESOLVED: That the Plan be amended in the form attached hereto, which amendment is hereby adopted and approved;

RESOLVED FURTHER: That the appropriate officers of the Employer be, and they hereby are, authorized and directed to execute said amendment on behalf of the Employer; and

RESOLVED FURTHER: That the officers of the Employer be, and they hereby are, authorized and directed to take any and all actions and execute and deliver such documents as they may deem necessary, appropriate or convenient to effect the foregoing resolutions including, without limitation, causing to be prepared and filed such reports, documents or other information as may be required under applicable law.

Dated this ____ day of _____, 2016.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT J

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

December 19, 2016

(With Respect to Business Tax Climate and Consulting Services)

WHEREAS, the Rhode Island Commerce Corporation (the “Corporation”) issued a request for proposals in relation to business tax climate advisory services (the “Services”); and

WHEREAS, the applicants were properly reviewed and qualifications considered, and a recommendation was made to the Board of the Corporation to retain Jones Lang LaSalle (the “Vendor”) to provide the Services.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, and/or Chief Financial Officer acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the Vendor for the Services in an amount of \$95,000.00, plus out of pocket expenses at the discretion of such officer.

Section 2: This Resolution shall take effect immediately upon passage.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT K

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

December 19, 2016

(With Respect to Innovation Campus Consulting Services)

WHEREAS, the Rhode Island Commerce Corporation (the “Corporation”) issued a request for proposals in relation to consulting services with respect to an innovation campus (the “Services”); and

WHEREAS, the applicants were properly reviewed and qualifications considered, and a recommendation was made to the Board of the Corporation to retain HR&A Advisors (the “Vendor”) to provide the Services; and

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, and/or Chief Financial Officer acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the Vendor for the Services in an amount of \$98,000, plus out of pocket expenses at the discretion of such officer.

Section 2: This Resolution shall take effect immediately upon passage.

DECEMBER 19, 2016 MEETING MINUTES

EXHIBIT L

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

December 19, 2016

(With Respect to Consulting Services in Relation to Business Rankings and Quality of Life)

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") issued a request for proposals in relation to consulting services for business climate and quality of life services (the "Services"); and

WHEREAS, the applicants were properly reviewed and qualifications considered, and a recommendation was made to the Board of the Corporation to retain Sperling's Bestplaces (the "Vendor") to provide the Services.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, and/or Chief Financial Officer acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the Vendor for the Services in an amount of \$99,500.00, plus out of pocket expenses at the discretion of such officer.

Section 2: This Resolution shall take effect immediately upon passage.

TAB 2

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve Johnson & Johnson for an award of incentives under the Qualified Jobs Incentive Tax Credit Act and the First Wave Closing Fund Act pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE QUALIFIED JOBS TAX CREDIT ACT AND
THE FIRST WAVE CLOSING FUND ACT

January 23, 2017

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Enabling Act”); and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Jobs Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: Chapter 64.23 of Title 42 Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “First Wave Act” together with the Jobs Tax Credit Act, may be referred to collectively herein as the “Acts”), as amended, authorizes the Corporation to approve the issuance of incentives in relation to catalytic economic development projects in the State; and

WHEREAS: The Corporation received an application for incentive under the Acts in relation to a project by Johnson & Johnson (the “Recipient”) for the location of a “Health Technology Center” (“the Project”), which is anticipated to result in the creation of seventy-five (75) new full-time jobs in the State; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed incentives to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board of the Corporation received a presentation inclusive of a memorandum and a letter of interest detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of incentives to the Recipient in accordance with the Acts.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Acts, the Corporation approves the issuance of the following incentives:

- a. Under the Jobs Tax Credit Act, tax credits to the Recipient for the creation of up to seventy-five (75) new full-time jobs not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually; and
 - b. A grant to the Recipient under the First Wave Act in the amount of Two Hundred Fifty Thousand Dollars (\$250,000).
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of one or more incentive agreements between the Corporation and the Recipient meeting the requirements of the Acts in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Prior to certification of any award of incentives to the Recipient, verification by the Corporation of compliance with the funding guidelines of Rule 6 of the rules and regulations adopted in relation to the First Wave Act (the “First Wave Rules”);
 - c. The creation of not less than the minimum required new full-time jobs under the Jobs Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; and
 - d. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs as required under the Jobs Tax Credit Act; (iv) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits under the Jobs Act; and (v) the Recipient has demonstrated that it will otherwise satisfy the funding guidelines of Rule 6 of the First Wave Rules.
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 1).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is

hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

Rhode Island Commerce Corporation

Qualified Jobs Incentive Tax Credits – Economic Impact Analysis

Johnson & Johnson Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Johnson & Johnson (“the Company”), a New Jersey-based health care company. The credits would be issued in connection with Johnson & Johnson’s decision to locate a new Digital Health Technology and Analytics Center at 1 Ship Street in Providence.

The Company is requesting Qualified Jobs Incentive tax credits with an estimated value of \$4,425,860 and a talent attraction grant of \$250,000 through the First Wave Closing Fund. In addition to providing these tax credits, the I-195 Redevelopment District approved an allocation of up to \$1 million to pay for renovation and fit-out of the Company’s space at 1 Ship Street. The State may also provide workforce services valued at up to \$450,000. In addition, negotiations are ongoing to potentially provide the space at 1 Ship Street at a nominal charge.

The analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As noted above, the cost of renovation and fit-out for the Company’s space at 1 Ship Street is expected to be up to \$1 million. For purposes of this analysis, we assume a total cost of \$1,000,000, including \$750,000 for renovation and \$250,000 for fit-out, with all of this spending to occur in 2017.

As shown below in Table 1, we estimate that direct spending of \$1,000,000 will directly and indirectly support:

- 6 person-years¹ of work in Rhode Island;
- \$350,000 in earnings;
- \$1.0 million in statewide economic output²; and
- A one-time increase of \$530,000 in Rhode Island’s GDP.

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. In this case, 6 person-years of work could for example represent an average of 18 workers employed full-time for four months.

² Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

These impacts are summarized below in Table 1. The project’s *direct impact* is the impact of the company’s direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 1: Direct and indirect impact of renovation and fit-out (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	4.5	\$0.27	\$0,40	\$0.79
Indirect Effect	1.5	0.08	0.13	0.21
Total Effect	6.0	\$0.35	\$0.53	\$1.00

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$1,000,000 would generate a projected one-time increase of approximately \$20,000 in taxes paid to the state during construction, including:

- \$13,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$5,700 in state sales taxes paid on those workers’ taxable household spending;
- \$1,600 in state business corporation taxes.

Annual operations

As shown in Table 2, the Company expects to hire a total of 75 employees in 2017 to work at its Digital Health Technology and Analytics Center at 1 Ship Street.

Table 1: Projected staffing and salaries

Position	Number	Average salary
Director	1	\$273,000
Managers	3	\$193,000
Senior analysts	71	\$137,000
Total	75	

Using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleseed estimates that when fully staffed the new Center will directly and indirectly support:

- 147 full-time-equivalent (FTE) jobs in Rhode Island;
- \$14.6 million in annual earnings;

- \$33.2 million in statewide economic output³; and
- An increase of nearly \$19.3 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 2. The Center’s *direct impact* is the impact of the Company’s direct spending on its ongoing operations, including payroll and purchases of goods and services from Rhode Island-based companies. Its *indirect impact* is the effect of spending by the Center’s Rhode Island-based suppliers on goods and services (insurance, utilities etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect annual impact of ongoing operations (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	75	\$10.6	\$12.8	\$23.0
Indirect Effect	72	4.0	6.5	10.2
Total Effect	147	\$14.6	\$19.3	\$33.2

In addition to the impacts on employment, earnings, output and state GDP cited above, the Center’s operations would generate a projected increase of approximately \$877,000 in annual state tax revenues, including:

- \$561,000 in state personal income taxes paid by workers employed at the Center, or by Rhode island workers whose jobs are indirectly attributable to the Center’s operations;
- \$245,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$71,000 in state business corporation taxes.

Workers employed by the Company are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Benefits

The Company offers a package of benefits including health care, pensions, 401k accounts, tuition reimbursement and other benefits. The Company estimates the value of these benefits at approximately \$60,000 per employee.

³ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the Center’s operations.

Hiring

The Company provides extensive, easily accessible online information about available positions, searchable by function, skill level and location, and invites candidates to submit applications online. The Company's Talent Acquisition Team reviews all applications with the responsible hiring managers. The Team then conducts initial phone interviews with selected applicants, who may then be contacted to arrange additional in-person interviews. After interviews are completed, the Talent Acquisition Team will extend a written offer to the selected candidate or candidates.

Impact

The state fiscal impact of the requested tax credits and other incentives is up to \$4,425,860 in foregone state revenue, up to \$1 million in renovation and fit-out costs at 1 Ship Street, and up to \$700,000 in workforce services and talent attraction grant funds. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$19.3 million, the estimated associated job creation, and the gross increase of approximately \$10.5 million in personal income, sales and business corporation tax revenues during renovation and during the twelve-year commitment period following the Center's opening. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways:

- Reinforce the state's attractiveness as a location for the information technology and data analytics functions of major companies in a wide range of industries;
- Help establish the I-195 Redevelopment District as an attractive location for similar high-value jobs.
- Help the state attract and retain highly-skilled workers in high-value industries.
- Increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, Qualified Jobs Incentive tax credits will be determined on the basis of salaries and wages actually paid.

TAB 3

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve Cornish Associates, LP for an award of incentives under the Rebuild Rhode Island Tax Credit Act pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT

January 23, 2016

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.20 of Title 42 of the General Laws of Rhode Island (the “Rebuild RI Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of incentives, including loans, in relation to certain development projects in the State; and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the issuance of incentives under the Rebuild RI Tax Credit Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received an application from Cornish Associates, LP (together with its nominee or an assignee, the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a Mixed Use Project (the “Project”) located at 270, 276, and 290 Westminster Street and 91 Clemence Street, Providence, RI, which is proposed to consist of approximately sixty-five (65) residential units and an estimated 25,990 +/- square feet of commercial space;

WHEREAS: The Corporation’s Investment Committee and Access to Capital Subcommittee have reviewed and considered a proposed loan and a sales and use tax exemption to the Recipient and each has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the incentives; and

WHEREAS: The Board has received a presentation inclusive of a term sheet detailing the Project and proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of the loan and a sales and use tax exemption to the Recipient in accordance with the Rebuild RI Tax Credit Act and the Rules.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves a loan (the “Loan”) to the Recipient in an amount not to exceed Seven Million Three Hundred Twenty Thousand Five Hundred Six Dollars (\$7,320,506) and authorizes a sales and use tax exemption in addition to the Loan;

provided, however that any sales and use tax exemption exceeding the amount of Five Hundred Thousand Eighty-One Dollars (\$500,081) shall reduce the amount of the Loan dollar for dollar.

2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act, which agreement shall expressly provide that the Loan will not be a general obligation of the Corporation and shall otherwise be in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Authorized Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of Certification to the Recipient;
 - c. Each of the Authorized Officers shall have the authority to grant incentives upon completion of discrete phases of the Project that meet the Eligibility Requirements; provided, however; each of the Authorized Officers shall also have the authority to reduce the Project Cost minimum threshold below \$5,000,000 for any such phase as the Project is located in a Hope Community; and
 - d. Such additional terms and conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild RI Tax Credit Act and the Rules; (e) the total amount of the Loan is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (f) the Project includes an Adaptive Reuse or development of a Recognized Historic Structure within the meaning of Rule 7(b)(1) and a portion of the loan in the amount of Three Hundred Sixty-Six Thousand Twenty-Six Dollars (\$366,026) is allocable to this criteria; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and

- (i) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Mixed-Use Project.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of loan will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
 5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
 6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
 7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized and empowered to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein all as such any one of the Authorized Officers deems appropriate in his or her discretion.

8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Darin Early, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: January 23, 2017

The staff of the Rhode Island Commerce Corporation (the “Corporation”) is recommending to the Board of Directors that it approve a loan pursuant to the Rebuild Rhode Island Tax Credit program. The recommendation is as follows:

- To consider the application of Cornish Associates, LP for a loan of \$7,320,506 for a mixed-use project.

This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.20-6, of the following:

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*
3. The loan to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 2

EXHIBIT 3

**Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credit Fund Loan – Economic Impact Analysis**

Cornish Associates LP Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue a Rebuild Rhode Island Tax Credit Fund Loan to Cornish Associates LP (the “Sponsor”). The loan would be issued in connection with the Company’s proposed investment in its Downcity Redevelopment, a mixed-use project located in downtown Providence. The project includes the conversion of three existing historic buildings into 65 units of multifamily housing and approximately 25,800 square feet of office, retail and entertainment space. (Phase 2, to be undertaken at a later date and not included in this analysis, would include construction of a 6-story building with 93 residential units with ground floor commercial space; and a parking structure).

The Sponsor estimates the total cost of project (excluding Phase 2) to be \$29.5 million.

The Sponsor is requesting a Rebuild Rhode Island Tax Credit Fund Loan for the project totaling \$7,320,506 as well as an exemption from sales and use taxes on construction materials and furnishings valued at \$500,081.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$29.5 million.

Table 1: Downcity II estimated total project cost (\$ millions)

Component	Estimated cost
Land and building acquisition	\$5.7
Construction (hard costs)	16.8
Soft costs	7.0
Total	\$29.5

After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such as property acquisition costs and interest expenses), spending on construction (both hard and soft costs) is estimated to total approximately \$22.4 million. Appleseed estimates that direct expenditures of approximately \$22.4 million will directly and indirectly generate:

- 180 person-years¹ of work in Rhode Island, with \$10.2 million in earnings;
- Approximately \$30.9 million in statewide economic output²; and
- A one-time increase of \$15.8 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 2: Direct, indirect and induced impact of construction and related spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	112	\$7.0	\$10.5	\$22.3
Indirect Effect	68	\$3.2	\$5.3	\$8.6
Total Effect	180	\$10.2	\$15.8	\$30.9

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$22.4 million would generate a projected one-time increase of approximately \$599,000 in taxes paid to the State during construction, including:

- \$383,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$167,000 in state sales taxes paid on those workers' taxable household spending;
- \$49,000 in state business corporation taxes

Most of the activity reflected in Table 2 will occur during 2017 and 2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

Based on square-feet-per worker ratios typical of office-based industries, retailing, restaurants and entertainment venues, we estimate that after the project is completed, businesses occupying the proposed commercial space at Downcity II would employ approximately 104 people (on a full-time-equivalent basis).⁴ We further estimate that 4 people will be employed in management and maintenance of the proposed residential units.

As shown below in Table 4, Appleseed estimates that when the project is completed and fully occupied (which is assumed to occur in 2019, it will directly and indirectly account for:

- 142 full-time equivalent jobs in Rhode Island, with approximately \$7.1 million in annual earnings (in 2018 dollars);
- \$18.3 million in annual statewide economic output; and
- An increase of \$10.8 million in Rhode Island's annual GDP.

Table 4: Direct, indirect and impact of annual operations of Downcity II (employment in FTE; earnings, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	108	\$4.7	\$7.4	\$12.6
Indirect Effect	34	\$2.4	\$3.4	\$5.7
Total Effect	142	\$7.1	\$10.8	\$18.3

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, ongoing operations would generate a projected gross increase of more than \$416,000 in taxes paid annually to the State (in addition to the \$599,000 in state tax revenues cited above that would be generated by spending on construction), including:

- \$266,000 in state personal income taxes paid by Rhode Island workers employed by tenant businesses or in building operations, or whose jobs are indirectly attributable to the project;
- \$116,000 in state sales taxes paid on those workers' taxable household spending;
- \$34,000 in state business corporation taxes

⁴ We assume for purposes of this analysis that in addition to the headquarters of Betaspring and the Founders' League, office space at Downcity II will be occupied by a range of businesses that reflect the continued growth of the State's "knowledge economy," including information technology and professional service firms.

While detailed information on wages that will be paid to those working in Downcity II's commercial spaces is not yet available, we can use the results of our analysis cited above to estimate these workers' earnings. We estimate those directly employed by Downcity II tenant businesses will earn an average of \$49,900 per FTE job.

Fringe benefits associated with these jobs will vary substantially across, office, retail, restaurant and entertainment businesses, and building operations and management.

Workers employed by office-based businesses could be drawn from communities throughout the Providence-Warwick RI-MA NECTA, while those employed at the planned music venue, in retail and restaurants and building maintenance would mostly be drawn from neighborhoods within Providence and other nearby communities.

Impact

The state fiscal impact of the requested loan and sales tax exemption is up to \$7,820,587 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated increase in annual state GDP of \$10.8 million; the associated job creation; and a gross increase of nearly \$5.592 million in personal income, sales and business corporation tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years following completion of the project.

In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Rehabilitate and activate three vacant buildings in downtown Providence;
- Provide 65 housing units and amenities (an entertainment venue and a park) that will support the continued growth of the Downcity area's resident population;
- Provide office space that will support the continued growth of Rhode Island's innovation economy; and
- Add to the City's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. While the state bears the risk of non-repayment of the requested loan, various features of the program mitigate other risks to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the loan will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the loan is capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the value of the loan will be reduced accordingly.

TAB 4

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve Whiting & Davis, LLC for an award of incentives under the Qualified Jobs Incentive Tax Credit Act pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS
UNDER THE QUALIFIED JOBS INCENTIVE ACT OF 2015

January 23, 2017

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Jobs Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the tax credit program established by the Jobs Tax Credit Act; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed issuance of tax credits to Whiting & Davis, LLC (the “Recipient”) and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the tax credits; and

WHEREAS: The Board of the Corporation received a presentation and a recommendation from the staff of the Corporation to approve the issuance of tax credits to the Recipient in accordance with the Jobs Tax Credit Act and the Rules.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Act and the Jobs Tax Credit Act, the Corporation approves the issuance of tax credits to the Recipient in an amount not to exceed \$7,500 per job for an aggregate of not more than fifteen new full-time jobs annually for a period of up to ten years.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an incentive agreement between the Corporation and the Recipient meeting the requirements of the Jobs Tax Credit Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. The creation of not less than fifteen new full-time jobs in each year of the eligibility period (with such exceptions as staff may deem appropriate in

compliance the Jobs Tax Credit Act and the Rules) which earn no less than an amount determined by the Corporation due to the fact that manufacturing is considered an Economically Fragile Industry; and

- c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs; and (iv) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits.
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 1).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this

Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

EXHIBIT 1

Rhode Island Commerce Corporation

Qualified Jobs Incentive Tax Credits – Economic Impact Analysis

Whiting & Davis LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Whiting & Davis LLC (“the Company”), an Attleboro Falls, Massachusetts-based manufacturer of metal-mesh fabrics and jewelry. The credits would be issued in connection with the Company’s decision to purchase and relocate to a building at 901 Waterman Avenue in East Providence.

The Company is requesting Qualified Jobs Incentive tax credits with an estimated value of \$255,221 over ten years. The Company is planning to relocate 20 of its 22 employees to Rhode Island. However, in order to retain some flexibility with regard to staffing during the twelve-year commitment period, the Company is basing its request for tax credits on only 15 of the 20 jobs to be relocated to East Providence.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

The Company estimates that it will spend \$100,000 on up-front improvements to its new property at 901 Waterman Avenue. We estimate that direct spending of \$100,000 will directly and indirectly support:

- 0.7 person-years¹ of work in Rhode Island;
- \$43,000 in earnings;
- \$133,000 million in statewide economic output²; and
- A one-time increase of \$66,000 in Rhode Island’s GDP.

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. In this case, 4 person-years of work could for example represent an average of 12 workers employed full-time for four months.

² Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

These impacts are summarized below in Table 1. The project’s *direct impact* is the impact of the company’s direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 1: Direct and indirect impact of renovation and fit-out (employment in person-years; income, value-added and output in 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	0.5	\$31,000	\$46,000	\$100,000
Indirect Effect	0.2	12,000	20,000	33,000
Total Effect	0.7	\$43,000	\$66,000	\$133,000

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$100,000 would generate a projected one-time increase of approximately \$2,500 in taxes paid to the state during construction, including:

- \$1,600 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$700 in state sales taxes paid on those workers’ taxable household spending;
- \$200 in state business corporation taxes.

Annual operations

As noted above, the Company expects to relocate 20 jobs to East Providence in 2017, of which it is committing to retain at least 15 throughout the twelve-year commitment period. Based on data provided by the Company, and using the IMPLAN input-output modeling system (an economic modeling tool commonly used in economic impact analyses, Appleseed estimates that ongoing operations associated with the 15 full-time jobs the Company is committing to maintain will directly and indirectly support:

- 19 full-time-equivalent (FTE) jobs in Rhode Island;
- \$1.00 million in annual earnings;
- \$3.65 million in statewide economic output³; and
- An increase of \$1.47 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 2. The Company’s *direct impact* is the impact of the Company’s direct spending on its ongoing operations, including payroll and purchases of goods and services from Rhode Island-based companies. Its *indirect impact* is the effect of

³ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the Center’s operations.

spending by the Company’s Rhode Island-based suppliers on goods and services (insurance, utilities etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	15	\$0.69	\$1.01	\$2.88
Indirect Effect	4	0.31	0.46	0.77
Total Effect	19	\$1.00	\$1.47	\$3.65

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company’s operations in East Providence would generate a projected increase of approximately \$58,600 in annual state tax revenues, including:

- \$37,500 in state personal income taxes paid by workers covered by the Company’s commitment, or by Rhode Island workers whose jobs are indirectly attributable to the Company’s operations;
- \$16,400 in state sales taxes paid on those workers’ taxable household spending; and
- \$4,700 in state business corporation taxes.

Workers employed by the Company are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Benefits

The Company offers a package of benefits that include medical (Tufts Health Plan), dental and disability insurance, a 401K plan with a company match, vacation and sick days and nine paid holidays.

Hiring

The Company advertises job openings on various job boards. Applicants are interviewed via telephone initially, then face-to-face interviews are arranged for qualified candidates.

Impact

The state fiscal impact of the requested tax credits and other incentives is up to \$255,221 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project

include the estimated increase in annual state GDP of \$1.47 million, the estimated associated job creation, and the gross increase of approximately \$706,000 in personal income, sales and business corporation tax revenues during renovation and during the twelve-year commitment period following the commencement of operations in East Providence. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways:

- Help to maintain Rhode Island's manufacturing base.
- Highlight the state's ability to attract small manufacturing firms from other states.
- Increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, Qualified Jobs Incentive tax credits will be determined on the basis of salaries and wages actually paid.

TAB 5

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve the amendment to the award to Greystone Lincoln, Inc., pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS
UNDER THE QUALIFIED JOBS INCENTIVE ACT OF 2015

January 23, 2017

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the “Jobs Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation awarded incentives to Greystone Lincoln, Inc. (“Greystone”) under the Jobs Tax Credit Act; and

WHEREAS: Greystone has requested an exemption (the “Exemption”) from the median hourly wage threshold as permitted under RIGL § 44-48.3-3(6); and

WHEREAS: The Board of the Corporation received a presentation and a recommendation from the staff of the Corporation to approve the Exemption.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the “Authorized Officers”).
2. Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to permit Greystone to have the Exemption.
3. This Resolution shall take effect immediately upon adoption by the Board of the Corporation.

TAB 6

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve the awards to applicants for Innovation Vouchers pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INNOVATION VOUCHERS
UNDER THE INNOVATION INITIATIVE ACT

January 23, 2017

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.28 of Title 42 of the General Laws of Rhode Island (the “Innovation Act”), as amended, authorizes the Corporation to award Innovation Vouchers for Small Businesses to receive technical or other assistance as set forth in Rule 6 of the Rules (defined below); and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the program established by the Innovation Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received applications from the applicants identified on Exhibit 1 (the “Recipients”) for awards of Innovation Vouchers (the “Vouchers”); and

WHEREAS: The Board of Directors of the Corporation (the “Board”) received a presentation detailing the Vouchers proposed to be granted to the Applicants together with a recommendation from the staff of the Corporation to approve the award of Vouchers to the Recipient in accordance with the Innovation Act and the Rules.

NOW, THEREFORE, acting by and through its Board, the Corporation hereby resolves as follows:

RESOLVED:

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves the award of Vouchers to the Recipients in the amounts identified in Exhibit 1.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of a Voucher Agreement between the Corporation and each Recipient meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 7 of the Rules prior to issuance of a Voucher; and

- c. Such additional conditions as any of the Authorized Officers (defined below), acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Innovation Director (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
4. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
5. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
6. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

EXHIBIT 1

Recipient	Amount
FS Maritime, LLC	\$50,000
Phoenix Medical Technologies, LLC	\$50,000
Prisere, LLC	\$50,000
Siren Marine, LLC	\$50,000
X Mark Labs, LLC	\$46,302

TAB 7

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve the acceptance of a grant from F.B. Heron Foundation and to approve the selection of vendors to perform services pursuant to the Resolution submitted to the Board.

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION**

January 23, 2017

(With Respect to the Anchor Procurement Initiative)

WHEREAS, the Board of the Corporation has received a presentation in relation to the Anchor Procurement Initiative (“the Initiative”), which is a proposed state wide initiative to increase the amount of goods and services that Rhode Island anchor institutions, including universities, hospitals and large private employers, procure from small and diverse suppliers in the state; and

WHEREAS, the Corporation issued a request for proposals in relation to consulting services (the “Services”) with respect to the Initiative; and

WHEREAS, the applicants were properly reviewed and qualifications considered, and a recommendation was made to the Board of the Corporation to retain U3 Advisors and Next Street (“the Vendors”) to provide the Services; and

WHEREAS, the Corporation has received a grant commitment from F.B. Heron Foundation (“the Foundation”) to cover \$128,000 (“the Grant”) of the estimated budget of \$165,000 for the initial phase of the Initiative.

NOW, THEREFORE, be it resolved by the Corporation as follows:

Section 1: The Corporation shall accept the Grant in the amount of \$128,000 from the Foundation and any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, and/or Chief Financial Officer (the “Authorized Officers”) acting singly, shall have the authority to negotiate and enter into a “Funding Agreement” with the Rhode Island Foundation (or any other conduit entity), who is expected to act as a conduit for the Grant.

Section 2: Any of the Authorized Officers acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the Vendors for the Services in an amount of up to \$165,000.00, plus out of pocket expenses at the discretion of such officer, conditioned upon award of the Grant and execution of the Funding Agreement.

Section 3: The Corporation shall provide a match for the Grant which shall include up to \$40,000, plus payment of reasonable out of pocket expense relative to the Services performed by the Vendors.

Section 4: This Resolution shall take effect immediately upon passage.

TAB 8

VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

January 23, 2017

APPROVED

VOTED: To approve the amendments to the Corporation's retirement plan submitted to the Board.

Voya Financial™

**SPECIMEN ADOPTION AGREEMENT FOR
457(b) DEFERRED COMPENSATION PLAN
FOR GOVERNMENTAL EMPLOYERS**

The undersigned Employer adopts the 457(b) Deferred Compensation Plan for Governmental Employers for those Employees who will qualify as Participants hereunder, to be known as the

Rhode Island Commerce Corporation 457 Plan

It will be effective as of the date specified below. The Employer hereby selects the following Plan specifications:

EMPLOYER INFORMATION (Plan Section 1.11)

Name of Employer: Rhode Island Commerce Corporation

Address: 315 Iron Horse Way, Suite 101
Providence, RI 02908

Telephone Number: 401-278-9100

Employer Identification Number: 05 - 0356994

Location of Employer's Principal Office:

State of Rhode Island; and the Plan will be governed in accordance with retirement plan laws of the State of Rhode Island.

Employer Fiscal Year:

The 12-consecutive month period commencing on July 1st [month and day] and ending on June 30th [month and day].

This specimen document includes a number of provisions which are optional, or as part of which there are different options that may be selected. Such provisions are generally indicated in the Adoption Agreement. This does not mean that other provisions may not also be optional, or that other options may not be available. The selection of appropriate options is solely the responsibility of the plan sponsor and should be done only after consulting with the client's own knowledgeable counsel.
(9/14)

PLAN INFORMATION

Effective Date:

This Adoption Agreement of the 457(b) Deferred Compensation Plan for Governmental Employers will:

- establish a new Plan effective as of _____.
- constitute an amendment and restatement in its entirety of a previously established 457(b) Plan of the Employer which was effective March 12th 1998. Except as specifically provided in the Plan, the effective date of this amendment and restatement is Oct 3rd 2016.

Plan Year (Plan Section 1.21):

The 12-consecutive month period commencing on January 1st [month and day] and ending on December 31st [month and day].

Name of Administrator (Plan Section 1.1):

Employer (Use Employer Address)

Name(s) _____

Address _____

_____ City _____ State _____ Zip _____

Telephone _____

Administrator's I.D. Number _____ - _____

ELIGIBILITY (Plan Section 2.1)

Eligible Individuals for Purposes of Participant Deferral Contributions:

All Employees

Independent Contractors

For purposes of this section, the term Eligible Individual:

- Will **not** include Independent Contractors
- Will include all Independent Contractors
- Will include all Independent Contractors other than as specified below:

CONTRIBUTIONS AND ALLOCATIONS

Deferral of Accumulated Sick Pay, Accumulated Vacation Pay and Back Pay (Plan Section 3.1(b)):

Participant may elect to defer (check all that are applicable) to the Plan:

- accumulated sick pay
- accumulated vacation pay
- back pay

Note: any amounts deferred under Section 3.1(b) of the Plan must be consistent with applicable state and local law, including, but not limited to, the terms of any collective bargaining agreements.

Age 50 Plus Catch-Up Contributions (Plan Section 3.3):

Age 50 Plus Catch-Up Contributions will be permitted under the Plan.

Transfers into the Plan (Plan Section 3.7):

Transfers into the Plan from an eligible 457 plan sponsored by another governmental employer will be permitted.

Rollovers:

Rollover Contributions will be permitted under the Plan (Plan Section 3.8).

The Plan will accept the following types of non-Roth Rollover Contributions:

- 457(b) Rollovers
- Non-457(b) Rollovers

Normal Retirement Age (Plan Section 1.16):

For purposes of the Special 457 Catch-Up Deferral Election under Section 3.2, Normal Retirement Age will be:

Option 1: Employer determines Normal Retirement Age

The NRA is a range of age(s) beginning at:

- the earliest retirement age at which an individual could receive unreduced benefits under the Employer's defined benefit pension plan
- Age 65
- Other: _____

NOTE: Age specified can be the earlier of age 65 or, if applicable, date above at which a Participant could receive unreduced benefits from Employer's defined benefit pension Plan.

and ending at:

- Age 70½
- Other: _____

NOTE 1: Normal Retirement Age cannot be later than age 70 ½.
NOTE 2: Beginning and ending ages may be the same age, if elected by the Employer.

Option 2: Participant determines Normal Retirement Age

- the Normal Retirement Age elected by the Participant that is between:
 - the earlier of the earliest retirement age under the Employer's pension plan at which the Participant immediately could receive unreduced retirement benefits or age 65; and
 - age 70 ½.

NOTE 3: The Employer is not permitted to have more than one Normal Retirement Age for each Participant under all of the plans under Section 457(b) of the Code that it sponsors.

DISTRIBUTIONS

Distribution Options (Plan Section 4.3(c)):

- Joint and survivor annuity
- Lump sum
- Immediate or deferred annuity (including life annuities and installment payment annuities)
- Systematic distribution option permitted under the Investment Product.
- Other: _____

NOTE: Distribution options selected are available to the extent permitted by applicable law and the terms of the Investment Product.

In the event that a Participant does not elect a form of payment at the time that distributions are required to begin in accordance with Section 4.5, any benefits payable to the Participant will be made as follows:

- In the form of an annuity payable over the life expectancy of the Participant that meets the requirements of Code Section 401(a)(9)
- Lump sum

This specimen plan document is intended to assist you and your counsel in adopting a 457(b) plan. Modifications may be required to meet your plan's particular objectives. (9/14)

Other: _____

Death Benefits Payable to Beneficiary (Plan Section 4.3(d)):

Amounts payable to the Beneficiary may be elected by the Beneficiary in the following forms of benefit payment:

- Same distribution options as available to the Participant
- Other:

NOTE: Distribution options selected are available to the extent permitted by applicable law and the terms of the Investment Product.

In the event a Beneficiary fails to make an election as to a benefit distribution option, any benefit payable to such Beneficiary will be distributed in accordance with Code Section 401(a)(9).

Rollovers

Distribution of a Participant 457 Rollover Account and a Participant Non-457 Rollover Account (Plan Section 4.1(b)):

Amounts payable under a Participant 457 Rollover Account and a Participant Non-457 Rollover Account will be paid to a Participant:

- Upon attainment of an event as described in Section 4.1
- Upon the request of a Participant
- Other:

Unforeseeable Emergency Withdrawals (Plan Section 4.6):

Unforeseeable Emergency Withdrawals will will not be permitted under the Plan.

If Unforeseeable Emergency withdrawals are allowed by the Plan, the amount eligible for such withdrawals will consist of:

- The Entire Participant Account
- The Participant Deferral Account
- The Participant 457 Rollover Account (if amounts are not payable before a Participant attains an event as described in Section 4.1)
- The Participant Non-457 Rollover Account (if amounts are not payable before a Participant attains an event as described in Section 4.1)

A Participant may may not take an Unforeseeable Emergency Withdrawal resulting from the illness or accident of a primary Beneficiary designated by the Participant.

Small Balance Distribution (Plan Section 4.7):

Small balance distributions attributable to a Participant Deferral Account will will not be permitted under the Plan.

Transfer of Amounts for Purchase of Service Credits in Governmental Retirement System (Plan Section 4.9)

Participant will will not be permitted to transfer amounts under the Plan to a governmental retirement system in order to purchase service credits.

Loans to Participants (Plan Section 4.11):

Loans will will not be permitted under the Plan.

Distributions for Health Insurance and Long Term Care (Plan Section 4.12):

Distributions to pay for health insurance and long term care will will not be permitted under the Plan.

CERTIFICATION AND SIGNATURE

The undersigned Employer hereby represents that it is a unit of a State or local government or an agency or instrumentality of one or more units of a State or local government as described in Code Section 414(d).

This Adoption Agreement and the Plan document together constitute the Plan. The Plan is a specimen plan, not a master or prototype plan, and has not been approved by the IRS. The adoption of this Plan and related tax consequences are the responsibility of the Employer and its independent tax and legal advisors.

IN WITNESS WHEREOF, the Employer hereby causes this Plan to be executed on this _____ day of _____, _____.

EMPLOYER:

(enter name)

By: _____

TAB 9

EXECUTIVE SESSION