

**RHODE ISLAND COMMERCE CORPORATION**

**AGENDA**

**FEBRUARY 27, 2017**

Call to order and opening remarks.

- TAB 1: To consider for approval meeting minutes for the meeting held January 23, 2017.
- TAB 2: To consider the selection of vendors in relation to tourism, public relations and/or advertising.
- TAB 3: To receive an update in relation to the Renewable Energy Fund.
- TAB 4: To consider a delegation of authority in relation to awards authorized by the Airport Service Development Council.
- TAB 5: To consider the application of United Natural Foods, Inc., (“UNFI”) for incentives under the Qualified Jobs Incentive Tax Credit program.\*
- TAB 6: To consider the application of Agoda Travel Operations for incentives under the Rebuild Rhode Island Tax Credit program and the Qualified Jobs Incentive Tax Credit program.\*
- TAB 7: To consider the application of SAT Development, LLC for incentives under the Rebuild Rhode Island Tax Credit program and the Tax Increment Financing program.\*
- TAB 8: To consider the approval of executive session minutes.\*\*
- TAB 9: 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**

**February 27, 2017**

**APPROVED**

**VOTED:** To approve the public Session minutes for the meeting held January 23, 2017 as presented to the Board.

**RHODE ISLAND COMMERCE CORPORATION**

**MEETING OF DIRECTORS  
PUBLIC SESSION  
January 23, 2017**

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on January 23, 2017, 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, Dr. Nancy Carriuolo, and Karl Wadensten.

Directors absent were: Donna M. Sams, Ronald O'Hanley, and Tim Hebert.

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 5:02 p.m., indicating that a quorum was present.

2. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON DECEMBER 19, 2016.**

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

**VOTED:** To approve the Public Session minutes for the meeting held December 19, 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, Dr. Nancy Carriuolo, and Karl Wadensten.

Voting against the foregoing were: none.

3. **TO CONSIDER THE APPLICATION OF JOHNSON & JOHNSON FOR INCENTIVES UNDER THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM AND THE FIRST WAVE CLOSING FUND PROGRAM.**

Secretary Pryor stated that Johnson & Johnson, a global company, has committed to building a health technology center in Providence. Secretary Pryor commended the Governor on her efforts in attracting Johnson & Johnson to Rhode Island.

Secretary Pryor stated that Johnson & Johnson's new health technology center will focus on software development and will result in the creation of seventy-five new jobs for software developers, engineers, and data scientists, with an average salary of \$137,000 per year. He explained that pursuant to the terms of the Qualified Jobs program, the actual salary paid to an employee is what determines the state taxes paid, which, in turn, determines the incentives awarded. Secretary Pryor indicated that pursuant to the proposal, Johnson & Johnson must create the seventy-five jobs by the end of 2018. He noted that Johnson & Johnson has already started recruiting efforts including the engagement of local universities. He further indicated that the proposed incentives have an estimated value of \$4.35 million over ten years, with a twelve year commitment by Johnson & Johnson.

Secretary Pryor stated that the initial location for Johnson & Johnson will be 1 Ship Street, Providence, RI ("1 Ship Street"), which is a commercial building in the I-195 district that is owned by Wexford. He indicated that the I-195 Commission has awarded Johnson & Johnson up to \$1,000,000 to be used in the renovation and fit-out of 1 Ship Street. He also indicated that the Corporation is proposing to award Johnson & Johnson \$250,000.00 from the First Wave Closing Fund, which will be used for talent attraction purposes, such as a potential loan repayment program for its employees. Secretary Pryor concluded by informing the Board that in the near future it will be asked to consider additional funding with respect to certain occupancy costs related to 1 Ship Street.

The Governor expressed her excitement that Johnson & Johnson is moving to Rhode Island. She also expressed her belief that Johnson & Johnson will discover the benefits of Rhode Island and expand even further in the near future.

Ms. Toledo-Vickers stated that the technology talent and university development is important to fill the jobs that Johnson & Johnson is offering. She further stated that filling Johnson & Johnson's new jobs quickly is important for Johnson & Johnson's retention in addition to attracting of new companies.

Ms. Carriuolo inquired as to the amount of jobs offered by Johnson & Johnson that will be available for recent college graduates without work experience. Mr. Saglio responded that Johnson & Johnson has not identified a specific number, but Johnson & Johnson has been working closely with local universities to recruit college graduates.

Mr. Wadensten expressed his hope that Johnson & Johnson, along with other companies, will hire employees from the State's other employment programs, such as PTECH and Real Jobs

RI. He stated that such programs may provide a good pipeline to larger companies for qualified employment candidates.

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

**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.

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, Dr. Nancy Carriuolo, 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 CORNISH ASSOCIATES, LP FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.**

Mr. Saglio explained that Cornish Associates, LP (“Cornish”) is seeking incentives under the Rebuild RI tax credit program for a \$29.5 million redevelopment of four historic buildings in downtown Providence. Mr. Saglio stated that Cornish has a proven track record of successful redevelopments of historic buildings.

Mr. Saglio stated that the development will result sixty-five residential units and 26,000 square feet of commercial space. He indicated that the project financing gap is approximately \$7.8 million. He explained that the Corporation’s staff is recommending that the financing gap be filled with a \$7.3 million loan, in addition to a sales and use tax rebate of \$500,000.00.

Mr. McNally expressed his approval of the project because it rehabilitates old, historic buildings that are mainly vacant. He stated that the project supports the goal of making downtown Providence a live/work/play area. He further stated that the project may not create many jobs, but it will play a vital role in the transformation of downtown Providence.

Ms. Lovejoy inquired as to the structure of the loan, and Mr. Saglio explained that the term of the loan will be thirty-five years, collect interest at the applicable federal rate, and have a cash pay component similar to other Rebuild RI incentive deals. Mr. Saglio stated that it is difficult to attract capital for historic rehabilitation projects; therefore, the loan is being issued to “buy down” costs and fill a financial need similar to many other similar projects. He explained that there are benefits to structuring the incentive as a loan, especially when the proposed project is a recipient of federal historic tax credits.

Mr. Early stated that from a funding perspective, the risk in a loan structure is the same as the tax credit structure because no money is disbursed until a certificate of occupancy is acquired. Mr. Buonanno explained that similar to other projects approved for Rebuild tax credits, the Corporation's capital may be returned if the developer achieves an agreed upon return on the project. In response to a question by Mr. Buonanno, Mr. Chase stated that the neighborhood for the project is between Fountain Street and Weybosett Street. Mr. Chase indicated that Cornish has focused on Westminster Street due to the street's environment. He explained that in redeveloping the area, he has attempted to create a downtown urban environment that is attractive to the young working force. He stated that the younger working force has created a high demand for smaller, 500 square foot apartments. Mr. Chase indicated that Cornish hopes to start construction on the project within six months. He also indicated that his current portfolio of real estate houses thirty five businesses that employ approximately 500 employees; therefore, the current project also has the ability to create new jobs.

Mr. Wadensten asked how much of the Corporation's portfolio consists of residential projects, to which Mr. Saglio responded that approximately \$55 million of the portfolio is residential projects. Secretary Pryor noted that the Corporation seeks to balance the portfolio between residential and commercial projects and that the maximum program budget for tax credits is \$150,000,000.

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

**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.

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, Dr. Nancy Carriuolo, 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 WHITING & DAVIS, LLC FOR INCENTIVES UNDER THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM.**

Mr. Saglio stated that Whiting & Davis, LLC ("Whiting & Davis") is a metal mesh manufacturing company currently located in North Attleboro, Massachusetts, that manufactures jewelry and industrial safety products. He explained that Whiting and Davis is currently negotiating the purchase of a building in East Providence, Rhode Island, pending the approval of the Qualified Jobs tax credit incentives. Mr. Saglio indicated that Whiting & Davis is seeking incentives under the Qualified Jobs tax credit program for fifteen jobs, which incentives will be paid over ten years with a twelve year commitment by Whiting and Davis to maintain the jobs in

the state. Mr. Saglio stated that because Whiting & Davis is a manufacturer, the Corporation's staff is recommending an exception to the Area Median Income ("AMI") minimum threshold under the Qualified Jobs Rules. He further stated that the average salary for employees at the company is \$37,000 per year, which ranges from \$27,000 per year to \$100,000 per year depending on the employee's position in the company.

In response to a question by Ms. Toledo-Vickers, Mr. Saglio indicated that Whiting and Davis works closely with Tiffany & Co. and Swarovski, two local companies.

Mr. Early noted that the company is seeking incentives for fifteen jobs; however, they are relocating twenty jobs from North Attleboro and the state will benefit from additional jobs that are not subsidized through the Qualified Jobs Tax Credit program.

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

**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.

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, Dr. Nancy Carriuolo, and Karl Wadensten.

Voting against the foregoing were: none.

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

6. **TO CONSIDER AN AMENDMENT TO THE AWARD TO GREYSTONE LINCOLN, INC. UNDER THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM.**

Mr. Saglio stated that the Board's first award under the Qualified Jobs Tax Credit program was to Greystone Lincoln, Inc. ("Greystone"), which is a Rhode Island manufacturer. He explained that as the Corporation and Greystone formalized the incentive agreement, it became apparent that while its employees will likely meet the annual salary associated with the AMI threshold some number of these employees would not meet the actual hourly wage AMI threshold required by the Rules. Mr. Saglio stated that for such reason, the Corporation's staff is recommending that the Board grant Greystone an exception to the AMI minimum threshold under the manufacturer's exception contained in the Qualified Jobs Incentive Tax Credit Act.

In response to a question by Mr. Wadensten, Mr. Saglio stated that the Corporation is required to calculate hourly wage and compensation pursuant to the Rules. He explained that the AMI exception should be relaxed to accommodate Greystone's liberal overtime policy. In response to questions by Mr. Nee, Mr. Saglio stated that Greystone has already hired the



majority of the employees required by the proposed incentive agreement and that many of those employees are receiving a salary higher than required under the incentive agreement.

Mr. Wadensten expressed his concern that overtime is only available if there is demand for the product. In response to Mr. Wadensten's concern, Mr. McNally noted that if Greystone pays less, then they will receive less of a tax credit.

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

**VOTED:** To approve the amendment to the award to Greystone Lincoln, Inc., 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, Dr. Nancy Carriuolo, and Karl Wadensten.

Voting against the foregoing were: none

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

7. **TO CONSIDER AWARDS TO APPLICANTS FOR INNOVATION VOUCHERS.**

Dr. Carriuolo and Ms. Lovejoy recused from participation in the agenda item.

Ms. Smith explained that innovation vouchers are grants up to \$50,000 that are awarded to companies so that the companies have access to research and development resources at local universities and hospitals. She stated that the Corporation is in its second year of awarding innovation vouchers and that the Corporation has received thirty-one applications for awards under a \$1.5 million budget. She recalled that in November, 2016, the Board awarded approximately \$280,000.00 in innovation vouchers to support six projects. She stated that the Corporation's staff is currently seeking \$246,302.00 in awards for five projects, which include research for virtual reality, medical devices, data analytics, and green technology, among others. Ms. Smith stated that three new institutions (New England Technology, Rhode Island School of Design, and the Providence VA) have joined the innovation vouchers program as partners.

Ms. Smith indicated that if the Board approves the innovation vouchers before it, then it will have awarded \$977,000.00 to twenty two projects since the inception of the innovation vouchers program, which have been connected with nine local knowledge partners to assist in research in development.

In response to a question by Mr. Nee, Ms. Smith stated that each applicant, as part of its agreement and before it receives funding, must report the project's anticipated milestones. She further explained that after the award is funded, the applicant must still provide quarterly reports on the project's process. Ms. Smith also stated that the Corporation maintains contact with the

institutional partner for updates because the awarded vouchers are funded directly to the institution.

In response to a question from Mr. Buonanno, Ms. Smith stated that applicants have been denied; however, the Corporation's staff consults with those applicants that have been denied to help them bolster their applications. She explained that one applicant was denied, and after consultation with the Corporation, reapplied and was subsequently awarded an innovation voucher.

In response to a question by Mr. Wadensten, Ms. Smith indicated that the Corporation stays in contact with all partnering organizations involved in the program. Mr. Buonanno commended the program and stated that he would like to see some feedback from the program's participants.

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

**VOTED:** To approve the awards to applicants for Innovation Vouchers 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, and Karl Wadensten.

Voting against the foregoing were: none.

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

8. **TO CONSIDER THE APPROVAL OF MATCHING FUNDS AND RETENTION OF CONSULTANTS FOR THE ANCHOR PROCUREMENT INITIATIVE.**

The Governor introduced Dan Jennings and explained that the Anchor Procurement Initiative (the "Initiative") is a collective effort by several local anchor institutions to purchase from local companies.

Mr. Jennings stated that the Corporation has engaged in efforts to leverage the purchasing power of local anchor institutions to help local small businesses

He explained that five anchor institutions, Rhode Island School of Design, Brown University, Roger Williams University, New England Institute of Technology, and Care New England ("the Anchors"), have agreed to participate in the Initiative. Mr. Jennings stated that to accomplish the goals of the Initiative, the Corporation will (1) analyze the Anchors' spending; (2) target spending categories that can be transferred to local businesses; and (3) design a program that can accommodate any business in the State that wishes to procure more services and good from local companies.

Mr. Jennings stated that to institute the Initiative, three actions need to be approved. He stated that first; the Corporation's staff was recommending U3 Advisors and Next Street for

approval as consultants to assist with implementation of the Initiative. Second, Mr. Jennings stated that the Corporation's staff was recommending that the Board accept a \$128,000.00 grant commitment from F.B. Heron Foundation ("F.B. Heron") with a commitment of the Corporation to match up to the amount of \$40,000 to pay for the consultants' services. Lastly, Mr. Jennings stated that the Corporation's staff was recommending that the Board authorize entry into a funding agreement with the Rhode Island Foundation, who will act as a fiscal conduit for F.B. Heron's grant commitment.

Mr. Buonanno and Dr. Carriuolo expressed their approval for the Initiative. Mr. Buonanno stated that the Initiative could be the first step in incentivizing other Rhode Island companies to make local procurements.

In response to a question by Mr. McNally, Mr. Jennings stated that generally, academic institutions begin a local procurement initiative, which is later adopted by local private corporations. Mr. Jennings explained that a simple program must be established so as to incentivize other companies to participate.

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

**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.

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, Dr. Nancy Carriuolo, and Karl Wadensten.

Voting against the foregoing were: none.

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

9. **TO CONSIDER AMENDMENTS TO THE CORPORATION'S RETIREMENT PLAN.**

Ms. Lasky explained that before the Board for approval was an amendment to the Corporation's 457 retirement plan to bring it into conformance with the Economic Growth and Tax Relief Reconciliation Act. Ms. Lasky indicated that the retirement plan has not been updated since 1998 and that the Corporation was recently informed that it was out of compliance. In response to a question by Ms. Lovejoy, Ms. Lasky stated that the Corporation employs a broker to ensure compliance with federal statutes.

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

**VOTED:** To approve the amendments to the Corporation's retirement plan 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, Dr. Nancy Carriuolo, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the amendments is attached hereto as **Exhibit H**.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:55 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Kelly.

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Thomas Carlotto, Secretary

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT A

**MEETING NOTICE**  
**RHODE ISLAND COMMERCE CORPORATION BOARD OF DIRECTORS**

A meeting of the Board of Directors of the Rhode Island Commerce Corporation will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **January 23, 2017** beginning at **5:00 p.m.**, for the following purposes:

1. Call to order and opening remarks.
2. To consider for approval meeting minutes for the meeting held December 19, 2016.
3. To consider the selection of vendors in relation to tourism, public relations and/or advertising.
4. To consider the application of Johnson & Johnson for incentives under the Qualified Jobs Incentive Tax Credit program and the First Wave Closing Fund program.\*
5. To consider the application of Cornish Associates LP for incentives under the Rebuild Rhode Island Tax Credit program.\*
6. To consider the application of Whiting & Davis, LLC for incentives under the Qualified Jobs Incentive Tax Credit program.\*
7. To consider an amendment to the award to Greystone Lincoln, Inc., under the Qualified Jobs Incentive Tax Credit program.\*
8. To consider awards to applicants for Innovation Vouchers.\*
9. To consider the approval of matching funds and retention of consultants for the Anchor Procurement Initiative.
10. To consider amendments to the Corporation's retirement plan.
11. To consider approval of executive session meeting minutes.\*\*
12. 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 consider this Agenda item.

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

Shechtman Halperin Savage, LLP  
Counsel to the Corporation

Dated: January 18, 2017

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT B

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-years<sup>1</sup> of work in Rhode Island;
- \$350,000 in earnings;
- \$1.0 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$530,000 in Rhode Island’s GDP.

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<sup>1</sup> 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.

<sup>2</sup> 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
<b>Total Effect</b>	<b>6.0</b>	<b>\$0.35</b>	<b>\$0.53</b>	<b>\$1.00</b>

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
<b>Total</b>	<b>75</b>	

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 output<sup>3</sup>; 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
<b>Total Effect</b>	<b>147</b>	<b>\$14.6</b>	<b>\$19.3</b>	<b>\$33.2</b>

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.

<sup>3</sup> 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.

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT C



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

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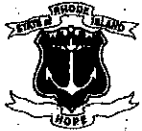
The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve a loan pursuant to the Rebuild Rhode Island Tax Credit program. The recommendation is as follows:

- 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



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**DEPARTMENT OF ADMINISTRATION**

**OFFICE of MANAGEMENT & BUDGET**

Office: (401) 574-8430

One Capitol Hill

Providence, RI 02908-5890

**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:** January 23, 2017

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 \$7,320,506.00. That recommendation is as follows:

1. That the application submitted by Downcity be approved for tax credits in a maximum amount of \$7,320,506.00.

To date, the Corporation has approved tax credits in the amount of \$48,609,833.92. The approval of an additional \$7,320,506.00 in tax credits would bring the cumulative total of approved credits to \$55,930,339.92. 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. \$7,320,506.00, 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 application 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**

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<i>Projects Confirmed as of 1/25/16</i>											
Boumc 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>											
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>											
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>											
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>											
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>											
D'Ambra Warwick Hotel LLC	\$0	\$0	\$273,398.00	\$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	\$893,398.00	\$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>											
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

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
<i>Projects Confirmed as 8/22/16</i>											
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>											
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>											
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>											
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
<i>Projects Confirmed as 12/19/16</i>											
Downcity	\$0	\$0	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0	\$0	\$0	\$7,320,506.00
Subtotal:	\$0	\$0	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0	\$0	\$0	\$7,320,506.00
<b>ALL PROJECTS TOTAL:</b>	<b>\$0</b>	<b>\$381,924.80</b>	<b>\$12,073,806.60</b>	<b>\$11,476,756.73</b>	<b>\$9,979,141.53</b>	<b>\$10,350,465.13</b>	<b>\$10,007,792.23</b>	<b>\$950,198.30</b>	<b>\$355,127.30</b>	<b>\$355,127.30</b>	<b>\$55,930,339.92</b>

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)**

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

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-years<sup>1</sup> of work in Rhode Island, with \$10.2 million in earnings;
- Approximately \$30.9 million in statewide economic output<sup>2</sup>; 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
<b>Total Effect</b>	<b>180</b>	<b>\$10.2</b>	<b>\$15.8</b>	<b>\$30.9</b>

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 <sup>3</sup>
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> 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-foot-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).<sup>4</sup> 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
<b>Total Effect</b>	<b>142</b>	<b>\$7.1</b>	<b>\$10.8</b>	<b>\$18.3</b>

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

<sup>4</sup> 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.

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT D



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-years<sup>1</sup> of work in Rhode Island;
- \$43,000 in earnings;
- \$133,000 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$66,000 in Rhode Island’s GDP.

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<sup>1</sup> 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.

<sup>2</sup> 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
<b>Total Effect</b>	<b>0.7</b>	<b>\$43,000</b>	<b>\$66,000</b>	<b>\$133,000</b>

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 output<sup>3</sup>; 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

<sup>3</sup> 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)**

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

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.



JANUARY 23, 2017 MEETING MINUTES

EXHIBIT E

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.

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT F

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

JANUARY 23, 2017 MEETING MINUTES

EXHIBIT G

**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.



JANUARY 23, 2017 MEETING MINUTES

EXHIBIT H

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 1<sup>st</sup> [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)

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**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 12<sup>th</sup> 1998. Except as specifically provided in the Plan, the effective date of this amendment and restatement is Oct 3<sup>rd</sup> 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:

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

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**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:

- X accumulated sick pay
- X accumulated vacation pay
- X 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:

- X 457(b) Rollovers
- X 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 2



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

**February 27, 2017**

**APPROVED**

**VOTED:** To approve the selection of vendors to perform advertising, public relations, paid media and related services in relation to tourism and business attraction pursuant to the Resolution submitted to the Board.

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

**February 27, 2017**

**(With Respect to Tourism and Business Attraction)**

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") received a presentation and recommendation from staff for the selection of vendors to perform advertising, public relations, paid media and related services in relation to tourism and business attraction.

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, Chief Financial Officer and/or Chief Marketing Officer (the "Authorized Officers"), acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the each of the following vendors (or an affiliate, the "Vendors") for the identified and related services (the "Services") for a term of one year:

A. Tourism:

Provider	Services	Estimated Budget
Nail Communications	Advertising	\$978,000
MMGY Global	Public Relations	\$473,000
RDW Group	Paid Media Services	\$1,700,000

B. Business Attraction:

Provider	Services	Estimated Budget
Nail Communications	Advertising	\$454,000
Havas	Public Relations	\$545,000
Havas	Paid Media Services	\$146,000

Section 2: The Authorized Officers shall have the authority to allocate and reallocate funds to the Vendors and may provide for a renewal to any of the Vendors, at the option of the Corporation, for an additional twelve months for the Services, subject to funding through appropriations or otherwise.

Section 3: This Resolution shall take effect immediately upon passage.

TAB 3  
NO VOTE

TAB 4

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

**February 27, 2017**

**APPROVED**

**VOTED:** To approve the delegation of authority in relation to awards authorized by the Airport Service Development Council, pursuant to the Resolution submitted to the Board.

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

**February 27, 2017**

**(With Respect to the Airport Service Development Program)**

**WHEREAS**, the Board of Directors the Rhode Island Commerce Corporation (the "Corporation") has received information and a presentation regarding the approval process for awards by the Airport Service Development Council (the "Council") at its meeting held on February 27, 2017, and the need to authorize certain officers and employees of the Corporation with authority to negotiate and execute documents in connection with such awards.

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

Section 1: Any of the Authorized Officers (defined below) acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any document(s) necessary or appropriate to consummate transactions authorized by the Council as may be approved by any such Authorized Officers, subject to any specific requirements of the authorizing resolution of the Council and/or applicable law. Execution of such document(s) by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation.

Section 2: 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.

Section 3: 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 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.

Section 4: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

TAB 5

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

**February 27, 2017**

**APPROVED**

**VOTED:** To approve United Natural Foods, Inc. 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

February 27, 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 United Natural Foods, Inc. (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 two hundred seventy jobs during the Eligibility Period.
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 eighty new full-time jobs in years one and two of the Eligibility Period and not less than one hundred twenty jobs in years three-through

ten of the Eligibility Period (with such exceptions as staff may deem appropriate in compliance the Jobs Tax Credit Act and the Rules); 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; (iv) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits; and (v) the Recipient is eligible for an exemption from the required minimum Area Median Income threshold pursuant to Rule 5(16), which exemption is hereby granted.
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**

#### ***United Natural Foods, Inc. Application***

#### **Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to United Natural Foods Inc. (UNFI, “the Company”), a distributor of natural, organic and specialty foods in the U.S. and Canada that has its headquarters in Providence. The credits would be issued in connection with the Company’s decision to establish a new operations center in leased space in the Providence metropolitan area.

The Company intends to hire 100 new employees at this facility by July 2018, rising to 150 by 2020; and expects to invest approximate \$2.5 million in facility improvements and IT infrastructure. The Company is requesting Qualified Jobs Incentive tax credits with an estimated value of \$1,873,805 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***

As noted above, the Company estimates that it will spend approximately \$2.5 million over five years on leasehold improvements and IT build-out at its new location. We estimate that direct spending of \$2.5 million will directly and indirectly support:

- 18 person-years<sup>1</sup> of work in Rhode Island;
- \$1.1 million in earnings;
- \$3.3 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$1.6 million in Rhode Island’s GDP.

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<sup>1</sup> A person-year is equivalent to the time worked by one person who is employed full-time for a year. In this case, 12 person-years of direct employment could for example represent an average of 2.4 workers employed full-time each year for five years.

<sup>2</sup> 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 2019 dollars)**

	Employment	Earnings	Value added	Output
Direct Effect	12	\$0.8	\$1.1	\$2.5
Indirect Effect	6	0.3	0.5	0.8
<b>Total Effect</b>	<b>18</b>	<b>\$1.1</b>	<b>\$1.6</b>	<b>\$3.3</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$2.5 million would generate a projected one-time increase of approximately \$62,000 in taxes paid to the state during construction, including:

- \$40,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$17,000 in state sales taxes paid on those workers' taxable household spending;
- \$5,000 in state business corporation taxes.

### **Annual operations**

As noted above, the Company intends to relocate and/or hire 100 new employees at its new facility by July 2018, rising to 150 by 2020. Table 2 summarizes the categories in which these jobs will be created, and median earnings for each category.

**Table 2: Projected employment, fiscal year 2020**

	Employees	Median Earnings
Staff	136	\$33,500
Supervisors	9	\$53,000
Managers	6	\$85,000
<b>Total Effect</b>	<b>150</b>	

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 150 full-time jobs the Company is committing to creating and maintaining will directly and indirectly support:

- 179 full-time-equivalent (FTE) jobs in Rhode Island;
- \$7.1 million in annual earnings;
- \$17.1 million in statewide economic output<sup>3</sup>; and
- An increase of \$9.7 million in Rhode Island's annual GDP.

These impacts are summarized below in Table 3.

**Table 3: 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	150	\$5.6	\$6.6	\$12.1
Indirect Effect	29	1.5	3.1	5.0
<b>Total Effect</b>	<b>179</b>	<b>\$7.1</b>	<b>\$9.7</b>	<b>\$17.1</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company's operations in its new location would generate a projected increase of approximately \$414,000 in annual state tax revenues, including:

- \$265,000 in state personal income taxes paid by workers employed by the Company at its new location, or by Rhode Island workers whose jobs are indirectly attributable to the Company's operations at that site;
- \$116,000 in state sales taxes paid on those workers' taxable household spending; and
- \$33,000 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 insurance, prescription drug coverage, dental and vision coverage, a company wellness program, flexible spending accounts, life and disability insurance, a 401K retirement plan, tuition reimbursement and travel assistance.

<sup>3</sup> 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**

UNFI posts all available positions on its own website and on other sites such as LinkedIn and Indeed.com. Received resumes are reviewed, and phone interviews are conducted with selected applicants. Those whom the hiring manager selects for further consideration will then be scheduled for a second interview. After the second interview, offers are extended. Once the offer of employment is accepted, background checks and a pre-employment drug test are conducted.

## **Impact**

The state fiscal impact of the requested tax credits and other incentives is up to \$1.9 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$9.7 million, the estimated associated job creation, and the gross increase of approximately \$4.8 million in personal income, sales and business corporation tax revenues during renovation and during the twelve-year commitment period beginning in 2018. 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 other ways including by increasing local real property and tangible personal 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 6

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

**February 27, 2017**

**APPROVED**

**VOTED:** To approve Agoda Travel Operations for an award of incentives under the Rebuild Rhode Island Tax Credit Act and the Qualified Jobs Incentive 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 AND  
THE QUALIFIED JOBS TAX CREDIT ACT

February 27, 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 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 Agoda Travel Operations USA Inc. (the "Recipient") for the fit-out of approximately 25,000 square feet of space at 500 Exchange Street, Providence, Rhode Island; and
- WHEREAS:** The Corporation has received information from the Recipient establishing that it has an existing location in Florida to expand its operations and the additional estimated cost of moving and expanding operations in Rhode Island versus Florida 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 One Million Eighteen Thousand Three Hundred Seventy Four Dollars (\$1,018,374) and authorizes a sales and use tax exemption in addition to the Rebuild Tax Credits of One Hundred Seventeen Thousand Eight Hundred Forty Six Dollars (\$117,846) with any sales and use tax exemption exceeding said amount reducing the Rebuild Tax Credits awarded hereunder dollar for dollar.
  - 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 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 eligibility requirements of Rule 6 of the rules and regulations adopted in relation to the Rebuild Act (the "Rebuild 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: (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) 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); (i) the Secretary of Commerce has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (j) 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 (k) the Recipient has demonstrated that it will otherwise satisfy the eligibility requirements of Rule 6 of the Rebuild Rules for a Commercial Project; provided, however, that the project is located in a Hope Community and any of the Authorized Officers (hereinafter defined) shall have the authority to exempt the project from the cost threshold pursuant to the 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 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 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 adoption.

**EXHIBIT 1**

Year	Cumulative New Jobs
1-10	200 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:** February 28, 2017

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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 Agoda Travel Operations USA, Inc., for tax credits of \$1,018,374 for a Commercial 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 3

EXHIBIT 4

**Rhode Island Commerce Corporation**  
**Rebuild Rhode Island and Qualified Jobs Incentive Tax Credits –**  
**Economic Impact Analysis**  
*Agoda Travel Operations USA, Inc. Application*

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island and Qualified Jobs Incentive tax credits to Agoda Travel Operations USA Inc. (“the Company”), the U.S. arm of Agoda.com, an Asian-based worldwide hotel reservations website and a brand of The Priceline Group, the world’s largest online travel company. The Company’s U.S. operations are currently based in Delaware. The requested credits would be issued in connection with the Company’s decision to establish a new, 25,000 square-foot facility for its Customer Experience Group in leased space at 500 Exchange Street in Providence.

The Company is planning to invest approximately \$5.1 million to fit out and equip its new facility. The Company would begin hiring in Rhode Island in 2017 with its Rhode Island headcount reaching 200 new full-time employees by 2018. The Company is requesting:

- Rebuild Rhode Island Tax credits valued at \$1,018,374; and
- Qualified Jobs Incentive tax credits with an estimated value of \$3,039,394 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**

***Facility investments***

As noted above, the Company estimates that it will spend approximately \$5.1 million in 2017 on leasehold improvements, fixtures and furnishings, and purchase and installation of IT equipment. A breakdown of this expenditure is shown below in Table 1.

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

Component	Estimated cost
Tenant improvements – hard costs	\$2.9
Tenant improvements – soft costs	\$0.4
Furniture and fixtures	\$1.0
IT equipment	\$0.7
<b>Total</b>	<b>\$5.1</b>

For purposes of this analysis we assume that most of the spending summarized above would occur in Rhode Island; IT equipment, however, would be procured from out-of-state sources. Based on these assumptions we estimate that in-state spending on the Company's new facility would total \$4.5 million.

We estimate that direct spending of \$4.5 million will directly and indirectly support:

- 32 person-years<sup>1</sup> of work in Rhode Island;
- \$2.0 million in earnings;
- \$5.2 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$2.8 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 renovation and fit-out. 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 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	24	\$1.5	\$2.1	\$4.0
Indirect Effect	8	\$0.5	0.7	\$1.2
<b>Total Effect</b>	<b>32</b>	<b>\$2.0</b>	<b>\$2.8</b>	<b>\$5.2</b>

Most of the activity reflected in Table 2 is expected to occur in 2017. 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.

<sup>1</sup> A person-year is equivalent to the time worked by one person who is employed full-time for a year. In this case, 22 person-years of direct employment could for example represent 22 workers employed full-time for one year, or 44 employed full-time for six months.

<sup>2</sup> 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 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
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).

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$4.5 million would generate a projected one-time increase of approximately \$115,000 in taxes paid to the state during construction and fit-out, including:

- \$74,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$32,000 in state sales taxes paid on those workers' taxable household spending;
- \$9,000 in state business corporation taxes.

### ***Annual operations***

The Company plans to begin hiring at its new facility in 2017, increasing its headcount to 200 by 2018. Table 4 summarizes the estimated annual impact of the Company's operations in Providence when it reaches its target of 200 employees.

Based on data provided by the Company, Appleseed estimates that ongoing operations associated with the 200 full-time jobs the Company is expects to have created in Providence in 2018 will directly and indirectly support:

- 311 full-time-equivalent (FTE) jobs in Rhode Island;
- \$14.6 million in annual earnings (in 2017 dollars);
- \$46.7 million in statewide economic output<sup>4</sup>; and
- An increase of \$19.5 million in Rhode Island's annual GDP.

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

<sup>4</sup> 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.

These impacts are summarized below in Table 4.

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

	<b>Employment</b>	<b>Earnings</b>	<b>Value added</b>	<b>Output</b>
Direct Effect	200	\$8.3	\$9.1	\$29.2
Indirect Effect	111	6.3	10.4	17.5
<b>Total Effect</b>	<b>311</b>	<b>\$14.6</b>	<b>\$19.5</b>	<b>\$46.7</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, in 2018 the Company's operations in Providence would generate a projected increase of approximately \$856,000 in annual state tax revenues, including:

- \$548,000 in state personal income taxes paid by workers employed by the Company at its new location, or by Rhode Island workers whose jobs are indirectly attributable to the Company's operations at that site;
- \$239,000 in state sales taxes paid on those workers' taxable household spending; and
- \$69,000 in state business corporation taxes.

Workers employed by the Company in Providence 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 health, dental and vision care insurance, a retirement plan, pre-tax flex spending accounts and transportation benefits, and paid vacation, sick leave and family leave.

## **Hiring**

The Company is using several approaches to recruiting employees for its new Providence location, including:

- Posting available positions on job sites such as jobrapido.com, Glassdoor, Indeed.com and Zip Recruiter
- Social media blasts via Facebook, Twitter and LinkedIn
- Career fairs at the University of Rhode Island and elsewhere
- Collaboration with Brown University, Johnson & Wales University, Rhode Island College, Providence College, Community College of Rhode Island and Salve Regina University
- Employee referrals

## Impact

The state fiscal impact of the requested tax credits is up to \$4.1 million in foregone state tax revenues. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$19.5 million by 2018, the estimated associated job creation, and the gross increase of approximately \$10.4 million in personal income, sales and business corporation tax revenues during renovation and during the twelve-year commitment period beginning in 2018. 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 other ways:

- Strengthen the state's reputation as an attractive location for customer service operations, and for internet-based businesses more broadly
- Help diversify the state's economy

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. Completion risk is mitigated by the fact that Rebuild Rhode Island tax credits will be issued only after construction is completed. The risk of project cost overruns is mitigated by the fact that tax credits and the value of the requested sales tax exemption are capped at the amounts set forth above. In addition, if project costs come in lower than anticipated, the value of the sales and use tax exemption could be reduced.

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



TAB 7

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

**February 27, 2017**

**APPROVED**

**VOTED:** To approve SAT Development, LLC for incentives under the Tax Increment Financing Act and the Rebuild Rhode Island Tax Credit Act pursuant to the Resolutions presented to the Board.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS  
UNDER THE TAX INCREMENT FINANCING ACT  
February 27, 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 64.21 of Title 42 of the General Laws of Rhode Island (the "TIF Act"), as amended, authorizes the Corporation to approve the issuance of incentives in relation to certain development projects in the State; and

**WHEREAS:** The Corporation promulgated rules and regulations (the "Rules") governing the program established by the TIF 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 a "TIF Incentive" from SAT Development, LLC (the "Recipient") under the TIF Act in relation to a project (the "Project") located at 423 Thames Street, Bristol, RI, which is proposed to consist of a mixed-use ground-up development that will contain approximately twenty-four apartment units and 2,783 square feet of restaurant space and 2,000 square feet of seasonable rentable space;

**WHEREAS:** The Corporation's Investment Committee has reviewed and considered the proposed issuance of the TIF Incentive to the Recipient and has voted to recommend to the Board of Directors (the "Board") of the Corporation the approval of the TIF Incentive; and

**WHEREAS:** The Board of the Corporation received a presentation inclusive of a term sheet detailing the Project and proposed TIF Incentive together with a recommendation from the staff of the Corporation for approval in accordance with the TIF 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 TIF Act, the Corporation approves the issuance of a TIF Incentive to the Recipient in an amount not to exceed the Project Financing Gap.
2. The authorization provided herein is further subject to the following conditions:

- a. The execution of a TIF Agreement between the Corporation and the Recipient meeting the requirements of the TIF 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 any award of a TIF Incentive 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: (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) 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 TIF Act and the Rules; (iv) the total amount of TIF Incentives 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; (v) that the Chief Executive Officer of the Corporation has provided written confirmation required by the TIF Act (a copy of which is annexed hereto as Exhibit 1); (vi) the Secretary of Commerce has provided written confirmation required by the TIF Act (a copy of which is annexed hereto as Exhibit 1); (vii) the applicant is a significant taxpayer and Incremental Revenues may be exempted up to the levels permitted by the TIF Act and the Recipient shall make payments in lieu of taxes of such Incremental Revenues to the Corporation pursuant to Rule 18 of the Rules; (viii) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules.
4. The Department of Revenue has issued a Revenue Increment Base certificate, a copy of which is annexed hereto as Exhibit 2.
5. Prior to the execution of TIF 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 3).
6. 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.

7. 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.
8. 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.
9. 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

**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:** Tax Increment Financing Credit Application  
**Date:** February 28, 2017

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The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve the application of SAT Development, LLC (the "Application") for an incentive pursuant to the Tax Increment Financing ("TIF") program. This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.21-6 and Rule 13 of the Rules and Regulations for the Rhode Island Tax Increment Financing Act of 2015 (the "Rules"), of the following:

1. The Corporation's 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 proposed boundaries of the Qualifying TIF Area (as that term is defined in the Rules) shall be limited to that portion of the real property known as 423 Thames Street, Bristol, Rhode Island, upon which the Project will be constructed.
3. The length of the TIF agreement shall be 20 years or fewer.
4. The project is consistent with the purpose of the Tax Increment Financing Act, R.I. Gen. Laws § 42-64.21-1 *et seq.*

EXHIBIT 2





# Rhode Island Department of Revenue

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## Division of Taxation

**From:** Michael F. Canole, Chief of Examinations  
Rhode Island Division of Taxation MFC

**To:** Board of Directors, Rhode Island Commerce Corporation

**Re:** Revenue Increment Base Certification for SAT Development LLC TIF Application

**Date:** February 17, 2017

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The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Division of Taxation (the "Division") that it intends to recommend to the Corporation's Board of Directors the application of SAT Development LLC (the "Application") for incentives under the Rhode Island Tax Increment Financing Act of 2015, R.I. Gen. Laws § 42-64.21-1 *et seq.* (the "Act"). The Corporation proposes to enter into a TIF agreement with SAT Development LLC in which the relevant tax streams will be the restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws. The Act requires the Division to certify the "revenue increment base" for this proposed TIF agreement. *See* R.I. Gen. Laws § 42-64.21-3(11). This memo constitutes the Division's certification under the Act.

The Act defines the "revenue increment base" as "the amounts of all eligible revenues from sources within the qualifying TIF area in the calendar year preceding the year in which the TIF agreement is executed, as certified by the division of taxation." *Id.* The Corporation has informed the Division of the following:

- The Application is for a mixed-use (retail and multi-family residential) project.
- The proposed qualifying TIF area for the Application is a parcel of land in the town of Bristol, RI located at 423 Thames Street. The parcel located is depicted in the map attached in Exhibit A.
- The Corporation has determined, in its discretion, the eligible revenues for purposes of this Application would not exceed the restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws.
- The TIF Agreement is anticipated to be entered into in the 2017 calendar year.

The Division of Taxation has determined that no Rhode Island restaurant food and beverages taxes was collected or assessed in the proposed qualifying TIF area for the calendar year 2016. Accordingly, on the basis of the foregoing information provided by the Corporation, the Division hereby certifies that the revenue increment base for the proposed TIF agreement is zero (\$0.00).



EXHIBIT 3

**Rhode Island Commerce Corporation**  
**Rebuild Rhode Island Tax Credits – Economic Impact Analysis**  
***SAT Development LLC Application***

**Introduction**

The Rhode Island Commerce Corporation (the "Corporation") may issue Rebuild Rhode Island tax credits to SAT Development LLC (the "Sponsor"), an entity owned by James Roiter. The credits would be issued in connection with the Sponsor's decision to invest in the second phase of redevelopment the former Belvedere Hotel in Bristol. The project would include the development of 24 residential units and 2,783 rentable square feet of restaurant and retail space, and a 2,000 square-foot seasonal roof deck restaurant. The total cost of the proposed project is estimated to be more than \$9.4 million.

The Sponsor is requesting:

- A Rebuild Rhode Island tax credit with a gross value of \$995,000 gross (\$895,000 net);
- A sales and use tax exemption (approximately \$166,270) on eligible and construction and build-out costs;
- \$600,000 in tax increment financing.

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 more than \$9.4 million.

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

<b>Component</b>	<b>Estimated cost</b>
Property cost	\$1.4
Construction (hard cost)	\$6.8
Soft costs	\$1.2
<b>Total</b>	<b>\$9.4</b>

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as site acquisition, interest payments and a deferred

developer's fee), the remaining hard and soft costs total \$7.6 million. Using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleseed estimates that direct expenditures of \$7.6 million will directly and indirectly generate:

- 64 person-years<sup>1</sup> of work in Rhode Island;
- \$3.6 million in earnings;
- Approximately \$10.7 million in statewide economic output<sup>2</sup>; and
- A one-time increase of nearly \$5.3 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	39	\$2.4	\$3.4	\$7.6
Indirect Effect	25	1.2	1.9	3.1
<b>Total Effect</b>	<b>64</b>	<b>\$3.6</b>	<b>\$5.3</b>	<b>\$10.7</b>

In addition to the impacts cited in Table 2, direct expenditures of \$7.6 million would directly and indirectly generate a projected one-time increase of approximately \$208,000 in taxes paid to the State during construction. These taxes would include approximately:

- \$133,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$58,000 in state sales taxes paid on those workers' taxable household spending; and
- \$17,000 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 spring 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.

<sup>1</sup> 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.

<sup>2</sup> 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 3: Anticipated wages during construction**

<b>Occupation</b>	<b>RI median hourly wage<sup>3</sup></b>
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
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**

The Sponsor has stated that after the project is completed (expected to occur in 2018) most of the 2,783 square feet of rentable ground floor retail space will be occupied by a Providence Coal Fired Pizza restaurant with 17 full-time and 15 part-time employees. A smaller ground-floor space will be occupied by a small local retailer yet to be identified, with approximately 2 to 3 employees. The Sponsor also estimates that another 1.5 FTE's will be directly employed in management and operation of the building, with additional FTE jobs being supported through the purchase of other services such as building maintenance and repair, utilities, and insurance.

Using IMPLAN, Appleaseed estimates that the commercial tenants and building management, operations and maintenance at the Belvedere at Bristol will directly and indirectly account for:

- 31 FTE jobs in Rhode Island;
- Approximately \$900,000 in annual earnings (in 2018 dollars);
- Approximately \$2.0 million in annual statewide economic output; and
- An increase of approximately \$1.2 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 2018 dollars)**

	<b>Employment</b>	<b>Earnings</b>	<b>Value added</b>	<b>Output</b>
Direct Effect	28	\$0.7	\$0.9	\$1.5
Indirect Effect	3	0.2	0.3	0.5
<b>Total Effect</b>	<b>31</b>	<b>\$0.9</b>	<b>\$1.2</b>	<b>\$2.0</b>

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

Workers who fill new restaurant, retail and building operations jobs are expected to be drawn primarily from Bristol and from other nearby communities.

In addition to the impacts cited in Table 4, ongoing operations at the Belvedere at Bristol would directly and indirectly generate a projected increase of approximately \$51,000 in taxes paid annually to the State. These taxes would include approximately:

- \$33,000 in state personal income taxes paid by Rhode Island workers employed directly at the Belvedere at Bristol, or whose jobs are indirectly attributable to tenant and building operations;
- \$14,000 in state sales taxes paid on those workers' taxable household spending; and
- \$4,000 in state business corporation taxes directly or indirectly attributable to building and tenant company operations.

## **Impact**

The state fiscal impact of the requested tax credits and sales tax exemption is up to \$1,061,270 in foregone state revenues, and \$600,000 in tax increment financing. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$1.2 million in annual state GDP, the estimated associated job creation, and a gross increase of approximately \$820,000 in 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 density in the Town's residential core
- Provide four units of moderately-priced "workforce" housing
- Strengthen the area's retail sector, both through the development of new first-floor restaurant and retail space and by adding 30 to 40 new residents to the neighborhood
- Substantially 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 and sales and use tax exemption are capped at the amounts set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS  
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT  
February 27, 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 64.20 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 SAT Development, LLC (the "Recipient") under the Rebuild RI Tax Credit Act in relation to a Mixed-Use Project (the "Project") located at 423 Thames Street, Bristol, RI, which is proposed to consist of a mixed-use ground-up development that will contain approximately twenty-four apartment units and 2,783 square feet of restaurant space and 2,000 square feet of seasonable rentable space; and

**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 tax credits and tax exemption; 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 Nine Hundred Ninety Five Thousand Dollars (\$995,000) and authorizes a sales and use tax exemption in addition to the tax credits of One Hundred Sixty Six



Thousand Two Hundred Seventy Dollars (\$166,270) 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: (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'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; (iv) 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; (v) 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; (vi) 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); (vii) 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); (viii) 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 (ix) 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 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**

**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:** February 28, 2017

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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 SAT Development, LLC, for tax credits of \$995,000 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**

EXHIBIT 3

**Rhode Island Commerce Corporation**  
**Rebuild Rhode Island Tax Credits – Economic Impact Analysis**  
***SAT Development LLC Application***

**Introduction**

The Rhode Island Commerce Corporation (the "Corporation") may issue Rebuild Rhode Island tax credits to SAT Development LLC (the "Sponsor"), an entity owned by James Roiter. The credits would be issued in connection with the Sponsor's decision to invest in the second phase of redevelopment the former Belvedere Hotel in Bristol. The project would include the development of 24 residential units and 2,783 rentable square feet of restaurant and retail space, and a 2,000 square-foot seasonal roof deck restaurant. The total cost of the proposed project is estimated to be more than \$9.4 million.

The Sponsor is requesting:

- A Rebuild Rhode Island tax credit with a gross value of \$995,000 gross (\$895,000 net);
- A sales and use tax exemption (approximately \$116,270) on eligible and construction and build-out costs;
- \$600,000 in tax increment financing.

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 more than \$9.4 million.

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

<b>Component</b>	<b>Estimated cost</b>
Property cost	\$1.4
Construction (hard cost)	\$6.8
Soft costs	\$1.2
<b>Total</b>	<b>\$9.4</b>

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as site acquisition, interest payments and a deferred

developer's fee), the remaining hard and soft costs total \$7.6 million. Using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleaseed estimates that direct expenditures of \$7.6 million will directly and indirectly generate:

- 64 person-years<sup>1</sup> of work in Rhode Island;
- \$3.6 million in earnings;
- Approximately \$10.7 million in statewide economic output<sup>2</sup>; and
- A one-time increase of nearly \$5.3 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	39	\$2.4	\$3.4	\$7.6
Indirect Effect	25	1.2	1.9	3.1
<b>Total Effect</b>	<b>64</b>	<b>\$3.6</b>	<b>\$5.3</b>	<b>\$10.7</b>

In addition to the impacts cited in Table 2, direct expenditures of \$7.6 million would directly and indirectly generate a projected one-time increase of approximately \$208,000 in taxes paid to the State during construction. These taxes would include approximately:

- \$133,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$58,000 in state sales taxes paid on those workers' taxable household spending; and
- \$17,000 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 spring 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.

<sup>1</sup> 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.

<sup>2</sup> 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 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
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**

The Sponsor has stated that after the project is completed (expected to occur in 2018) most of the 2,783 square feet of rentable ground floor retail space will be occupied by a Providence Coal Fired Pizza restaurant with 17 full-time and 15 part-time employees. A smaller ground-floor space will be occupied by a small local retailer yet to be identified, with approximately 2 to 3 employees. The Sponsor also estimates that another 1.5 FTE's will be directly employed in management and operation of the building, with additional FTE jobs being supported through the purchase of other services such as building maintenance and repair, utilities, and insurance.

Using IMPLAN, Appleseed estimates that the commercial tenants and building management, operations and maintenance at the Belvedere at Bristol will directly and indirectly account for:

- 31 FTE jobs in Rhode Island;
- Approximately \$900,000 in annual earnings (in 2018 dollars);
- Approximately \$2.0 million in annual statewide economic output; and
- An increase of approximately \$1.2 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 2018 dollars)**

	Employment	Earnings	Value added	Output
Direct Effect	28	\$0.7	\$0.9	\$1.5
Indirect Effect	3	0.2	0.3	0.5
<b>Total Effect</b>	<b>31</b>	<b>\$0.9</b>	<b>\$1.2</b>	<b>\$2.0</b>

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

Workers who fill new restaurant, retail and building operations jobs are expected to be drawn primarily from Bristol and from other nearby communities.

In addition to the impacts cited in Table 4, ongoing operations at the Belvedere at Bristol would directly and indirectly generate a projected increase of approximately \$51,000 in taxes paid annually to the State. These taxes would include approximately:

- \$33,000 in state personal income taxes paid by Rhode Island workers employed directly at the Belvedere at Bristol, or whose jobs are indirectly attributable to tenant and building operations;
- \$14,000 in state sales taxes paid on those workers' taxable household spending; and
- \$4,000 in state business corporation taxes directly or indirectly attributable to building and tenant company operations.

## **Impact**

The state fiscal impact of the requested tax credits and sales tax exemption is up to \$1,061,770 in foregone state revenues, and \$600,000 in tax increment financing. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$1.2 million in annual state GDP, the estimated associated job creation, and a gross increase of approximately \$820,000 in 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 density in the Town's residential core
- Provide four units of moderately-priced "workforce" housing
- Strengthen the area's retail sector, both through the development of new first-floor restaurant and retail space and by adding 30 to 40 new residents to the neighborhood
- Substantially 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 and sales and use tax exemption are capped at the amounts set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

TAB 8

EXECUTIVE SESSION