

# **RHODE ISLAND COMMERCE CORPORATION**

## **AGENDA**

**MARCH 27, 2017**

Call to order and opening remarks.

- TAB 1: To consider for approval meeting minutes for the meeting held February 27, 2017.
- TAB 2: To receive an update regarding the Corporation's Innovation Initiative.
- TAB 3: To consider the award of Innovation Vouchers.
- TAB 4: To consider a grant to William M. Davies, Jr. Career & Technical High School.
- TAB 5: To consider the approval of principles in relation to a loan program under the Renewable Energy Fund.
- TAB 6: To consider the application of Wexford One Ship, LLC for incentives under the First Wave Closing Fund program.\*
- TAB 7: To consider the application of eMoney Advisor, LLC for incentives under the Qualified Jobs Incentive Tax Credit program and the First Wave Closing Fund program.\*
- TAB 8: To consider litigation issues related to 38 Studios, LLC and the Securities and Exchange Commission.\*\*
- TAB 9: To consider the utilization of the Corporation's incentive programs for the investment of public funds and approval of executive session minutes.\*

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

# **RHODE ISLAND COMMERCE CORPORATION**

## **MEETING OF DIRECTORS PUBLIC SESSION February 27, 2017**

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on February 27, 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, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O'Hanley, Donna Sams, and Karl Wadensten.

Directors absent were: Bernard V. Buonanno III, George Knee, and Vanessa Toledo-Vickers.

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 5:07 p.m., indicating that a quorum was present.

### **2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON JANUARY 23, 2017.**

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

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

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Mary Jo Kaplan, Jason Kelly, Michael F. McNally, Ronald O'Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

### **3. TO CONSIDER THE SELECTION OF VENDORS IN RELATION TO TOURISM, PUBLIC RELATIONS AND/OR ADVERTISING.**

Mr. Early abstained from discussion of this agenda item.

Ms. Lovejoy and Mr. Hebert entered the meeting.

Ms. Salamano stated that over the past seven months, the Corporation has created a foundation for its marketing strategies by increasing its marketing team. Ms. Salamano explained that the marketing efforts by the Corporation have been successful; for instance, the number of unique visitors to the Corporation's website has increased by 400%. Ms. Salamano stated that a few months ago, she spoke to the Board regarding building a tourism website. She explained that in November of 2016, the Corporation solicited Request for Proposals ("RFPs") in connection with the tourism and business attraction. Ms. Salamano explained that to assist in reviewing the submitted proposals, the Corporation formed two advisory committees, which consisted of members from the Executive Office of Commerce, the Corporation, the Chambers of Commerce, and the individuals from private sector. She indicated that from that the recommendation is to engage four companies to the Board for approval: Nail Communications ("Nail"); MMGY Global ("MMGY"); RDW Group ("RDW"); and Havas Media Group ("Havas").

Ms. Salamano stated that Nail will assist the Corporation with its business attraction and tourism marketing campaigns. She gave an overview of Nail's prior marketing campaigns, which included, among others, the Providence Journal and Lifespan. She also highlighted a few of Nail's current clients, including New Balance. Ms. Salamano explained that Nail's marketing process is focused around strategic planning, which assists with creative development and meeting the goals of the tourism and business attraction marketing campaigns.

Ms. Salamano stated that MMGY is headquartered in New York City, but has a satellite office in Boston, Massachusetts. She explained that MMGY will assist with the public relations portion of the Corporation's tourism campaign. She stated that MMGY has thirty-five years of experience in tourism marketing, has research-driven marketing techniques, and is known for their integrated approach with social media. Ms. Salamano indicated that MMGY's efforts will be tied to specified metrics, which will assist in evaluating the marketing campaign's effect.

Ms. Salamano indicated that RDW will assist the Corporation with its strategic planning media as well as paid media execution. She noted several of RDW's clients, including GTech and Ross Simon. She explained that RDW is familiar with the local and national tourism market and that its marketing is metric driven, which will help understand the marketing campaign's effects.

Ms. Salamano explained that Havas will assist the Corporation with its business attraction marketing. She indicated that Havas was previously retained by the State and assisted the State in achieving 104 placements in newspapers and magazines such as the New York Times and Crain's, which resulted in \$2.34 million in advertising value equivalent.

Ms. Salamano stated that the cumulative cost of the marketing campaign will be \$4.29 million and the marketing campaign's minimum expected return on investment of \$7.76 million is based upon a 4:1 ratio. She noted that she anticipates the ratio to be nearer to a 6:1 ratio.

Ms. Kaplan questioned the logistics of coordination between the agencies, and Ms. Salamano stated that she will implement a process-oriented structure where the agencies can share new and old research on tourism trends.

Ms. Carriuolo inquired into which social media outlet is most impactful, and Ms. Salamano responded that Facebook is very impactful because the State has over 140,000 followers on Facebook.

Ms. Sams expressed her concern that the Corporation should outline accountability for each marketing firm.

In response to a question by Mr. Hebert, Ms. Salamano stated that the timeline for the marketing campaigns is under development and that she believes the greatest opportunity for marketing will be in the Fall.

Ms. Lovejoy stated that it is important that the Corporation coordinate with different regions so that there is commonality among marketing campaigns in the State.

Jeremy Crisp, the owner of Nail, was present and remarked that he was excited to market on behalf of Nail's home state.

Mr. Wadensten expressed his concern that the coordination meetings will be costly and consume most of the budgeted funds. Ms. Salamano responded that she will create a strategic plan to keep the campaigns moving forward and that agencies have coordinated on many occasions. In response to another question by Mr. Wadensten, Ms. Salamano stated that Havas' marketing was very impactful in prior years.

Mr. McNally questioned why the budget was divided 80/20 with the majority of the funds earmarked for tourism marketing. Secretary Pryor indicated that such structure was before the General Assembly when the budget was presented. Governor Raimondo commented that tourism can have a substantial effect on business attraction. Secretary Pryor noted that the Greater Providence Chamber of Commerce has raised over \$1 million in funds, which will be deployed in relation to business attraction marketing campaigns.

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

**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.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O'Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

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

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

4. **TO RECEIVE AN UPDATE IN RELATION TO THE RENEWABLE ENERGY FUND.**

Ms. Annie Ratanasim, program manager of the Renewable Energy Fund (“REF”), gave an overview of the two main programs of REF (the Small Scale program and the Commercial Scale program). She stated that systems with ten kilowatts or less qualify as Small Scale, which typically includes residential, small businesses, and nonprofits. She explained that if the system is over ten kilowatts, then it qualifies for Commercial Scale, which typically includes institutions, commercial properties, municipal and state buildings.

Ms. Ratanasim stated that REF committed \$268,000 to the Small Scale program from July 5, 2016 to September 23, 2016, and an additional \$396,000 from October 3, 2016 to December 31, 2016. Ms. Ratanasim stated that in total, REF committed \$637,000 to the Small Scale program since July 5, 2016.

Ms. Ratanasim further stated that REF committed \$3 million to the Commercial Scale program from July 5, 2016 to September 23, 2016, and an additional \$869,000 from October 3, 2016 to December 31, 2016. Ms. Ratanasim stated that in total, REF committed \$3.8 million to the Commercial Scale program since July 5, 2016.

Ms. Ratanasim explained that since 2013, REF has committed \$5 million in funds to the Small Scale program and \$14 million to the Commercial Scale program, which cumulatively total \$19 million of committed funds for 905 projects. She indicated that there is a balance of \$400,000 in funds that are currently uncommitted.

In response to questions by Mr. Wadensten, Ms. Ratanasim explained that the program is funded through tax receipts, which total approximately \$2.2 million annually and that the nine 905 projects include completed and uncompleted projects.

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

5. **TO CONSIDER A DELEGATION OF AUTHORITY IN RELATION TO AWARDS AUTHORIZED BY THE AIRPORT SERVICE DEVELOPMENT COUNCIL.**

Mr. Nick Autiello explained that the Air Service Development Council (“the Council”) is requesting that the Corporation delegate to the Corporation’s staff authority to confirm awards that the Council makes. Mr. Early explained that the Board will receive updates, from time to time, on the Council and the awards that the Council makes.

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

**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.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O’Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

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

6. **TO CONSIDER THE APPLICATION OF SAT DEVELOPMENT, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM AND THE TAX INCREMENT FINANCING PROGRAM.**

Mr. Saglio stated that Jim Roiter, principal of SAT Development, LLC (“SAT”), is planning a ground-up, mixed-use development in Bristol, Rhode Island that will produce twenty four (24) residential units and have commercial space to accommodate the restaurant Providence Coal Fire Pizza. He indicated that the anticipated cost of the project is \$9.5 million, and that the Corporation is recommending that SAT be awarded \$950,000 in Rebuild Rhode Island tax credits, \$600,000 in Tax Increment Financing incentives, and \$166,000 in sales tax rebates.

Mr. Saglio stated that the project will increase the Corporation’s portfolio’s geographic diversity as the project is outside the Providence metropolitan area. Mr. McNally stated that the project is good for downtown Bristol; however, it does not create many jobs.

In response to a question by Mr. Wadensten, Mr. Early stated that the Corporation has committed approximately \$56 million of the \$100 million Rebuild Rhode Island tax credit fund to residential projects. Secretary Pryor commended the Investment Committee on its due diligence in reviewing the project.

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

**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.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O’Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

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

7. **TO CONSIDER THE APPLICATION OF UNITED NATURAL FOODS, INC. (“UNFI”) FOR INCENTIVES UNDER THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM.**

Mr. Saglio stated that UNFI is seeking to consolidate locations after it engaged in a series of acquisitions. He stated that UNFI has committed to relocating to Rhode Island and creating 100 jobs in 2018 and 150 jobs in 2020. He further explained that if UNFI meets certain milestones above the 150 job requirement, they will be eligible for additional tax incentives. Mr. Saglio stated that depending upon the number of employees that UNFI hires, the value of the Qualified Jobs incentive will range between \$1.9 million and \$3.1 million. Mr. Saglio also stated that the Corporation’s staff is requesting that the Board approve an exemption to the AMI requirement as UNFI is engaged in distribution, which is an Economically Fragile Industry. Mr. Saglio stated that the anticipated median wage of UNFI’s new employees is \$33,530 per year.

Mr. McNally expressed his approval of the deal. He observed that such incentives cost the State nothing. Mr. Saglio stated that UNFI was looking at other locations, but decided to relocate to Rhode Island.

8. **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**

Mr. Saglio stated that Agoda Travel Operations (“Agoda”) is a Singapore-based subsidiary of Priceline and a fast-growing hotel booking website that is looking establish a customer experience center in a North American location. Mr. Saglio explained that Agoda has committed to relocating to Rhode Island and hiring 200 employees with a median salary of \$39,500, which will yield approximately \$3.1 million in Qualified Jobs incentives. Mr. Saglio stated that to support 200 new jobs, Agoda is contributing \$5 million to the build out of office space. Mr. Saglio concluded that the Corporation’s staff is recommending an additional incentive under the Rebuild Rhode Island Tax Credit program in an amount of approximately \$1 million. He indicated that the Qualified Jobs and Rebuild Rhode Island incentives total approximately \$4.1 million.

9. **TO CONSIDER THE APPROVAL OF EXECUTIVE SESSION MINUTES**

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

**VOTED:** To enter into executive session pursuant to RI Gen. Laws §§ 42-46-5(a)(2) and 42-46-5(a)(7) to consider Agenda items 7, 8 and 9.



Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O’Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

Members of the Board, staff, and counsel entered into executive session at 5:53 p.m.

Members of the Board, staff, and counsel returned to public session at 6:10 p.m.

Upon entering Public Session, Attorney Carlotto stated that in the Executive Session, the Board voted to approve executive session minutes.

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

**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.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O’Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

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

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

**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.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O’Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

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

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

**VOTED:** To seal the minutes of the Executive Session.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, Ronald O'Hanley, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:11 p.m., upon motion made by Mr. Wadensten and seconded by Ms. Kaplan.

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Thomas Carlotto, Secretary

FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT A

**RHODE ISLAND COMMERCE CORPORATION**  
**PUBLIC NOTICE OF MEETING**

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **February 27, 2017**, beginning at **5:00 p.m.** for the following purposes:

**PUBLIC SESSION**

1. Call to order and opening remarks.
2. To consider for approval meeting minutes for the meeting held January 23, 2017.
3. To consider the selection of vendors in relation to tourism, public relations and/or advertising.
4. To receive an update in relation to the Renewable Energy Fund.
5. To consider a delegation of authority in relation to awards authorized by the Airport Service Development Council.
6. To consider the application of United Natural Foods, Inc., (“UNFI”) for incentives under the Qualified Jobs Incentive Tax Credit program (See Exhibit 1, which follows, for additional detail).\*
7. 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 (See Exhibit 1, which follows, for additional detail).\*
8. To consider the application of SAT Development, LLC for incentives under the Rebuild Rhode Island Tax Credit program and the Tax Increment Financing program (See Exhibit 1, which follows, for additional detail).\*
9. To consider the approval of executive session minutes\*\*
10. To consider the utilization of the Corporation’s programs for the investment of public funds.\*

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

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

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

Shechtman Halperin Savage, LLP,  
Counsel to the Corporation

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

Dated: February 24, 2017

## EXHIBIT 1

### Agenda Item 6

The application seeks incentives under the Qualified Jobs Incentive Tax Credit program for the creation of transactional service jobs in the state. UNFI is a natural, organic, and specialty foods and nonfood distributor with 31 distribution centers in the United States and Canada. UNFI distributes over 100,000 products from more than 10,000 suppliers.

### Agenda Item 7

The applicant seeks incentives under the Rebuild Rhode Island Tax Credit program and the Qualified Jobs Incentive Tax Credit program in relation to the establishment of the Agoda Customer Experience Center, which is proposed to be located at 500 Exchange Street in Providence. The total development cost for the project is estimated at approximately \$5.1 million and the total requested tax credits are up to \$1.02 million. The Agoda family of companies own and operate one of the world's fastest-growing online hotel platforms, offering hundreds of thousands of accommodation options around the globe with service and support in over 40 languages.

### Agenda Item 8

The applicant seeks incentives under the Rebuild Rhode Island Tax Credit program and the Tax Increment Financing program for a mixed-use development project consisting of approximately 24 residential units and 4,783 +/- square feet of commercial space in a building located at 473 Thames Street in Bristol. The total development cost for the project is estimated at approximately \$9.4 million and the total requested tax credits are up to \$995,000. The development sponsor for the application is SAT Development, LLC whose principal is James Roiter.

FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT B

**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.



FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT C



# Rhode Island Commerce Marketing Update

February 27, 2017



# Background

In the past seven months, we have been hard at work building our foundation:

- Rounded out the marketing team to include business attraction, tourism, marketing and communications professionals
- Developed a brand voice and design guidelines. These elements provide design guidelines, brand personality direction, a graphic identity system, logo/text placement, and design do's and don'ts for end users
- Developing new robust tourism website
- All metrics are up -- social media followership/ reach, website visitors, earned media, and climate variables
- Hiring New Tourism and Business Attraction Public Relations and Advertising Agency

We continue to seek out and work with the most experienced and qualified vendors who are truly best in class.

These projects are key components to our success and provide the needed foundation to allow us to continue to grow tourism and drive new businesses to Rhode Island in the coming months.

# The RFP Process



# RFP PROCESS

The RFP was a result of the Corporation's need to hire a new advertising and public relations agency to expand upon and grow the Corporation's marketing initiatives.

In November 2016, the Corporation issued a request for proposals for Tourism and Business Attraction Advertising and Public Relations services.

The Corporation received the following responses to the RFP:

- Tourism Advertising - 12
- Tourism Public Relations - 10
- Business Attraction Advertising - 7
- Business Attraction Public Relations - 7

An evaluation committee comprised of internal team members and external industry partners thoroughly vetted all responses, reading through them and scoring them to determine the top contenders in each focus area.

Finalists:

- Tourism Advertising - 3
- Tourism Public Relations - 4
- Business Attraction Advertising - 3
- Business Attraction Public Relations - 3



# PROJECT OVERVIEW

The Rhode Island Commerce Corporation sought firms that were able to develop advertising and public relations campaign strategies for business attraction; manage production and development of creative that inspires, informs and drives action; evaluate regional and national media opportunities and plans media buys; identify promotional opportunities; cultivate strategic partnerships; and provide research & analytics.

The advertising and public relations firms will work collaboratively with the Rhode Island Commerce Corporation website and social media partners.

# TOURISM

Tourism is an important driver of the Rhode Island economy. As of 2013, tourism to Rhode Island contributed \$2.38 billion to the state's economy, supported over 39,000 jobs, and provided more than \$1 billion in wages and salaries.

The Corporation is committed to growing the state's tourism industry through increasing:

- **Traveler trips to Rhode Island**
- **Average traveler spend per trip**
- **Resident spend on tourism activities**

The Corporation promotes Rhode Island in the domestic and international marketplaces, leveraging multiple marketing and communications tactics, including but not limited to traditional public relations strategies, advertising, social media, public engagement programs, travel trade and sales outreach. All of these efforts are directed at our target audiences—prospective visitors, previous visitors, Rhode Island residents, transportation partners, tour operators, travel agents, industry partners and NGO's.

# BUSINESS ATTRACTION

The Rhode Island Commerce Corporation promotes Rhode Island in the domestic and international marketplaces, leveraging multiple marketing and communications tactics, including but not limited to PR, advertising, social media, public engagement programs, business trade and sales outreach.

Under the leadership of a job-focused Governor, Rhode Island's economic development strategy builds our state's capacity to compete both nationally and globally. Governor Raimondo's plan includes a slate of economic development programs to get our state's economy on the right path and get Rhode Islanders back to work. Some of these programs are tax credits, with new safeguards to protect taxpayers, assist current businesses to grow and recruit new businesses to the Ocean State. Others aim at increasing our businesses' and universities' capacity to work together to create innovative products that will let Rhode Island's small businesses grow and prosper.

Rhode Island's business attraction efforts will promote the advances our state is making and promote Rhode Island as a great place to do business, placing an emphasis on the following advanced industries in which the state has key strengths:

- **Advanced Manufacturing**
- **Biomedical Innovation**
- **IT / Software, Cyber-Physical Systems, and Data Analytics**
- **Defense Shipbuilding and Maritime**
- **Advanced Business Services**
- **Design, Food, and Custom Manufacturing**
- **Arts, Education, Hospitality, and Tourism**
- **Transportation, Distribution, and Logistics**



# NAIL

Tourism and Business Attraction Advertising



# Rhode Island Campaigns & Branding



**TOGETHER, SMALL BUSINESSES ARE RI'S BIGGEST BUSINESS.**

"I never looked to see the Exchange due to its single Program Check option which enabled our programs to share from across different plan designs."

**Phil Papadimitriou**  
President & COO, **WATERFIRE PROVISIONS**

"This is organizational perspective, the Exchange was pretty neutral but more importantly our employees had a much wider range of options from which to choose than ever before."

**Peter Mills**  
Managing Director, **WATERFIRE PROVISIONS**

"The program is a perfect fit for the business to obtain health coverage through the Exchange. It means we can manage our costs in the process to find our best average resources."

**David Green**  
President & CEO, **PLUMBER SUPPLY**

"This only did the business one thing, but we were able to do so with more program options to give the health insurance plan that made sense for them."

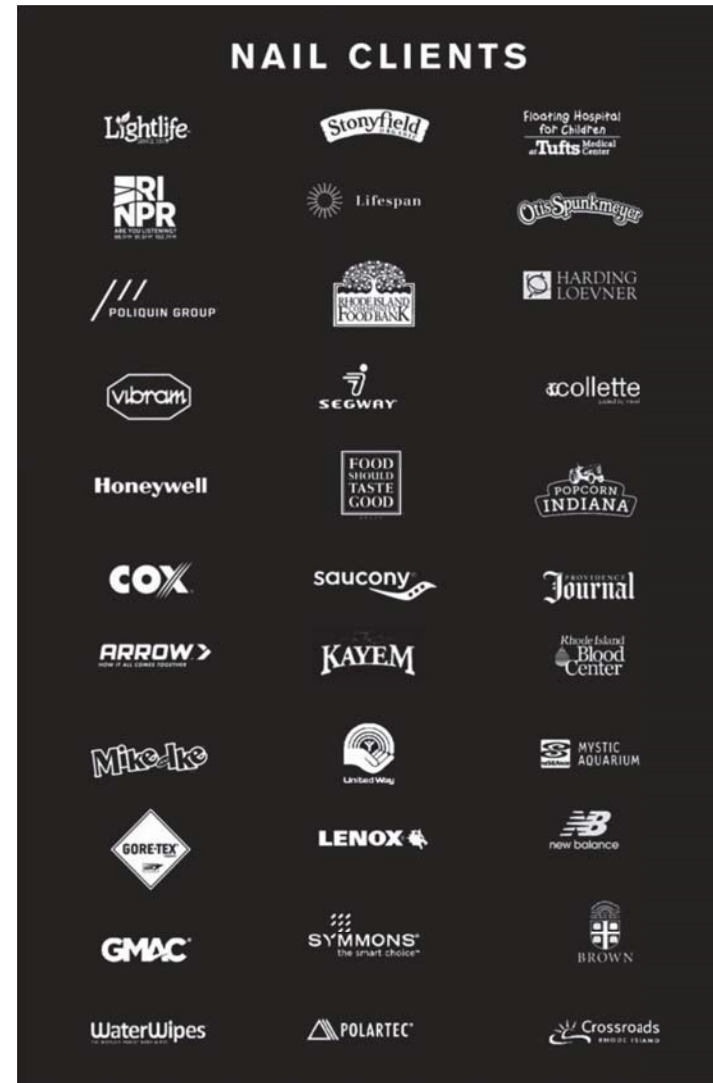
**Peter Korman**  
General Manager, **THE BARNHART FACT**

As a small business owner, you know that big businesses get all the breaks. That's why they pay less for pretty much everything - including health insurance. But with HealthSource RI, small businesses can join forces and get a better deal on health and dental insurance.

To find out more call 1.800.840.INSUR or come by HealthSource RI.



# NAIL'S CLIENTS



# Insight-Driven Process



# Strategy: Tourism

## GOALS

- Define the mission in terms that Rhode Island will win – target consumers, messaging, engagement.
- Leverage existing relevant tourism assets.
- Don't just be different from the competition, be more relevant.
- Create a lasting, positive association for RI for year-round tourism.
- Grow/extend traveler trips through targeted, relevant messaging.

# Strategy: Business Attraction

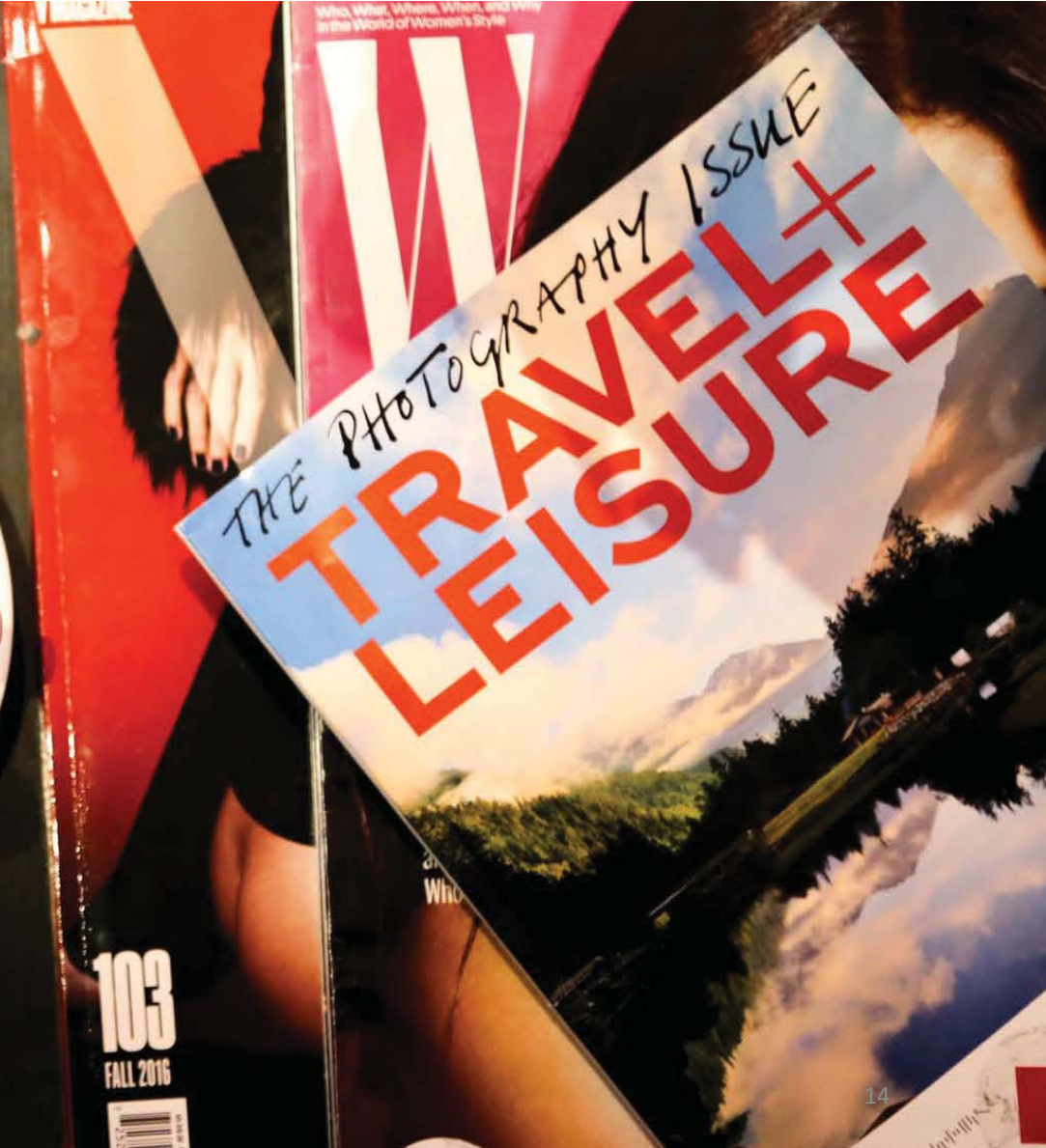
## Goals

- Thematic messaging built from a product truth delivered in a consistent and relevant manner for business.
- Produce a concentrated and sustained effort at the point of decision-making.
- An active campaign that walks-the-walk of a small, focused, nimble state.
- Leverage our existing assets to create relevant and compelling connection moments with decision makers.



# MMGY GLOBAL

Public Relations



# MMGY DIFFERENTIATORS

- INDUSTRY EXPERTISE
- RESEARCH-DRIVEN
- INTEGRATED APPROACH
- LOCALLY-SOURCED
- RESULTS-FOCUSED



# MMGY CLIENTS



BERMUDA



*Cleveland*

*South Dakota*



# MMGY PR APPROACH

## GENERATE

Target regional & national consumer & trade press coverage – print, online & broadcast

## ENGAGE

With digital/social influencers, tastemakers, likeminded brands

## IDENTIFY

Strategic national & regional media & brand partnerships/promotions

## INSPIRE

An emotional connection by engaging target travelers where they live, work & play with content & unique experiences

## DRIVE

Traffic to website & social media channels

## COLLABORATE

With industry partners to create buzz

## PROTECT

Rhode Island's image

# MMGY SOCIAL MEDIA APPROACH

## STRATEGIC SOCIAL SUPPORT

Provide ongoing strategic guidance, identification of new opportunities, social channel monitoring, and detailed reporting

## SOCIAL CONTENT DEVELOPMENT

Develop creative content that is timely, targeted, optimized and integrated with other marketing channels

## PROACTIVE COMMUNITY MANAGEMENT

Generate social media channel engagement in order to maximize brand exposure and affinity for the brand

## CAMPAIGN DEVELOPMENT

Create engaging social campaigns to bring the Rhode Island brand to life

## INFLUENCER RELATIONSHIP MANAGEMENT

Leverage relationships with key social influencers, building brand advocates and introducing Rhode Island to new audiences

## MEASURE & OPTIMIZE

Measure success across a broad array of metrics including impressions & reach, engagement, website traffic, lead generation, & conversions



# RDW

Tourism Media

# RDW Clients



# RDW Media Process

Marketing & Communications Goals







# HAVAS

Business Attraction PR

# TELLING THE R.I. STORY

104 placements  
253,403,863 impressions  
\$2,343,985.73 AVE

**The New York Times**  
Where Trump Sees Economic 'Disaster,' Experts See Something More Complex

**CRAIN'S**  
BOSTON  
Q&A: Rhode Island's Commerce Secretary on Righting the Economic Ship in the Ocean State

**The Boston Globe**  
A Job Victory in RI, Drug Company Pulls Plug, and a Wireless Electric Car

**QUARTZ**  
Rhode Island Governor: How a Small State Made a Big Breakthrough in High Tech Job Growth

**Forbes**  
Rhode Island: The Startup State

**SITE SELECTION** Rhode Island's Industries Growth

**THE BOND BUYER**  
How Rhode Island Plans to Reset Its Manufacturing Watch

**fDi** Q&A: Gina Raimondo

**fDi** On the FDI Map

**AREA DEVELOPMENT**  
Virgin Pulse Expands Operations in Providence, Rhode Island

**BusinessNewHaven**  
Tech Flocks to Providence

**REBUSINESS ONLINE** JV Breaks Ground on 169-Unit Multifamily Development in Providence, Rhode Island






**Bloomberg Business** Rhode Island's Advanced Industries Growth

**TheStreet**  
The \$15 Billion Reason That GE's Adding Three U.S. Technology Centers

**QUARTZ**  
The First US Offshore Wind Farm Goes Live as Renewables Race to Underprice Fossil Fuels in Age of Trump



# COMMUNICATIONS PLAN TOOLBOX

Toolbox Phase	Overview	Tactics
<b>Familiarize</b> 	<ul style="list-style-type: none"> <li>• Implement thought-leadership programs</li> <li>• Showcase incentives</li> </ul>	<ul style="list-style-type: none"> <li>• Maximizing content</li> <li>• CEO targeting</li> </ul>
<b>Engage</b> 	<ul style="list-style-type: none"> <li>• Highlight the "Why R.I." story</li> <li>• Create opportunities at conferences and events</li> <li>• Ensure a steady drumbeat of coverage with the vertical media</li> <li>• Support overseas trade missions and presence</li> <li>• Continue to support local media relations</li> </ul>	<ul style="list-style-type: none"> <li>• Why R.I.</li> <li>• Sector approach</li> <li>• Local engagement and in-state media relations</li> <li>• Business rankings</li> <li>• Bylines</li> </ul>
<b>Produce</b> 	<p>Help develop, curate and create information for potential business targets for the RICC and others to leverage across their channels</p>	<ul style="list-style-type: none"> <li>• Social media</li> </ul>
<b>Amplify</b> 	<p>Ensure the greatest number of eyeballs for each article and interaction by posting content across multiple owned channels and boosting on social</p>	<ul style="list-style-type: none"> <li>• Native advertising</li> <li>• SEO</li> </ul>
<b>Measure</b> 	<p>Monitor, measure and analyze the success or failure of each initiative and action to determine how we evolve before we begin the cycle again</p>	<ul style="list-style-type: none"> <li>• Daily progress report</li> <li>• Weekly call and progress report, with earned and social media tracker</li> <li>• Monthly wrap-up with milestones, accomplishments and KPI reporting</li> <li>• Quarterly in-person presentation on valuation of efforts against accomplishments and KPIs</li> </ul>

# KPI's/ ROI



# KPIs – Translating Effort into Impact



Reach/Web Traffic  
25% increase YOY

## TOURISM/BUSINESS ATTRACTION



### Earned Media

Investment: \$1M  
ROI: \$4M



### Paid & Native Media

Investment: \$1.85M



### Social

Investment: \$574,000  
ROI: \$1.85M

Overall  
Investment:

**\$4.29M**

ROI:

**\$7.76M**

## BUSINESS ATTRACTION

Economic Value



Number of business leaders reached through mailers and sponsored integrations



Number of incoming leads

**RHODE  
ISLAND**



**RHODE ISLAND  
COMMERCE CORPORATION**

315 IRON HORSE WAY, SUITE 101, PROVIDENCE, RI 02908  
401.278.9100 | 401.273.8270 fax

**COMMERCERI.COM**

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FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT D



**Balance**  
As of 12/31/16

**~\$400k**

**Grant Totals**  
2013-Present

## Small Scale

**Block: 11** (7/5/16 -9/23/16)

Project Costs: **\$1.0M**  
Total Funding Approved: **\$268K**  
kW: **268 kW**  
# of Projects: **32**

**Block: 12** (10/03/16 -12/31/16)

Project Costs: **\$1.3M**  
Total Funding Approved: **\$369K**  
kW: **368 kW**  
# of Projects: **51**

**TOTAL** Project Costs: **\$2.3M**  
Total Funding Approved: **\$637K**  
kW: **636 kW**  
# of Projects: **83**

## Commercial Scale

**Block: 12** (7/5/16 -9/23/16)

Project Costs: **\$27M**  
Total Funding Approved: **\$3.0M**  
kW: **12,000 kW**  
# of Projects: **16**

**Block: 13** (10/03/16 -12/31/16)

Project Costs: **\$9.9M**  
Total Funding Approved: **\$869K**  
kW: **5,000 kW**  
# of Projects: **14**

**TOTAL** Project Costs: **\$36.9M**  
Total Funding Approved: **\$3.8M**  
kW: **17,000 kW**  
# of Projects: **30**

## Small Scale

Project Costs: **\$21M**  
Total Funding Approved: **\$5M**  
kW: **5,107kW**  
# of Projects: **783**

## Commercial Scale

Project Costs: **\$130M**  
Total Funding Approved: **\$14M**  
kW: **50,266kW**  
# of Projects: **122**

**TOTAL** Project Costs: **\$151M**  
Funding Approved: **\$19M**  
kW: **55,373kW**  
# of Projects: **905**

FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT E

**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.



FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT F

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 the corner of Thames and State Street (Tax Assessor’s Plat 10, Lot 6), which is proposed to consist of a mixed-use ground-up development that will contain 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 located at the corner of Thames and State Street (Tax Assessor’s Plat 10, Lot 6), 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 Canole, Chief of Examinations *MC*  
Rhode Island Division of Taxation

**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.

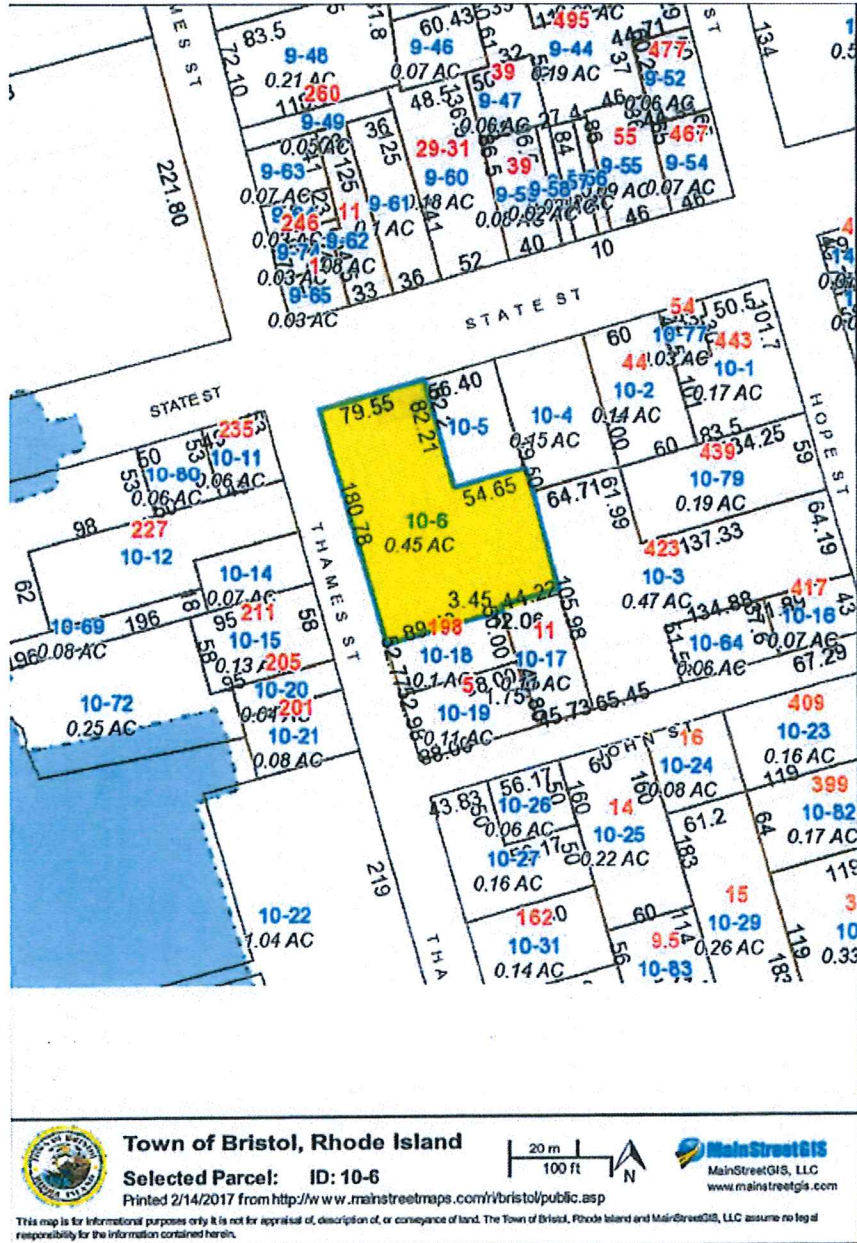
The Act defines the “revenue increment base” as “the amounts of all eligible revenues from sources within the qualifying TIF area in the calendar year preceding the year in which the TIF agreement is executed, as certified by the division of taxation.” *Id.* The Corporation has informed the Division 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 the corner of Thames and State Street (Parcel ID 10-6), as 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 A  
 Location of Proposed Qualifying TIF Area (shaded in yellow)





Town of Bristol, Rhode Island

Selected Parcel: ID: 10-6

Printed 2/15/2017 from <http://www.mainstreetmaps.com/ri/bristol/public.asp>



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), Applesseed 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.

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 the corner of Thames and State Street (Tax Assessor’s Plat 10, Lot 6), 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



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 574-8430

**From:** Jonathan Womer, Director of the Office of Management and Budget

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

**Re:** Rebuild Rhode Island Tax Credit Applications

**Date:** February 27, 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 three projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$3,363,374.00. That recommendation is as follows:

1. That the application submitted by SAT Development LLC be approved for tax credits in a maximum amount of \$995,000.00.
2. That the application submitted by Agoda Travel Operations USA Inc. be approved for tax credits in a maximum amount of \$1,018,374.00.
3. That the application previously approved on March 28, 2016 for Providence Capital III, LLC for tax credits in a maximum amount of \$3,036,032.20 be amended down to a maximum amount of \$1,350,000.00.

To date, the Corporation has approved tax credits in the amount of \$52,894,307.72 (not including the initial application by Providence Capital III, LLC which is recommended for amendment). The approval of an additional \$3,363,374.00 in tax credits would bring the cumulative total of approved credits to \$56,257,681.72. 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. \$3,363,374.00, 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 applications and the likely distribution of credits over the five-year payment period, OMB anticipates the budget impact to the state of the credits, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

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

EXHIBIT 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), Applesseed 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.

FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT G

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)**

	<b>Employment</b>	<b>Earnings</b>	<b>Value added</b>	<b>Output</b>
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**

	<b>Employees</b>	<b>Median Earnings</b>
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.

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<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.

FEBRUARY 27, 2017 MEETING MINUTES

EXHIBIT H

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



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET

One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 574-8430

**From:** Jonathan Womer, Director of the Office of Management and Budget

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

**Re:** Rebuild Rhode Island Tax Credit Applications

**Date:** February 27, 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 three projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$3,363,374.00. That recommendation is as follows:

1. That the application submitted by SAT Development LLC be approved for tax credits in a maximum amount of \$995,000.00.
2. That the application submitted by Agoda Travel Operations USA Inc. be approved for tax credits in a maximum amount of \$1,018,374.00.
3. That the application previously approved on March 28, 2016 for Providence Capital III, LLC for tax credits in a maximum amount of \$3,036,032.20 be amended down to a maximum amount of \$1,350,000.00.

To date, the Corporation has approved tax credits in the amount of \$52,894,307.72 (not including the initial application by Providence Capital III, LLC which is recommended for amendment). The approval of an additional \$3,363,374.00 in tax credits would bring the cumulative total of approved credits to \$56,257,681.72. 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. \$3,363,374.00, 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 applications and the likely distribution of credits over the five-year payment period, OMB anticipates the budget impact to the state of the credits, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

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

EXHIBIT 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)**

	Employment	Earnings	Value added	Output
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.

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

**March 27, 2017**

**APPROVED**

**VOTED:** To approve the public Session minutes for the meeting held February 27, 2017 as presented to the Board.

TAB 2

NO VOTE

TAB 3

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

**March 27, 2017**

**APPROVED**

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



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

March 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 64.28 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
Blusource Inc.	\$50,000
Medley Genomics Inc.	\$50,000
Nanode, Inc.	\$50,000
Pet Tech, LLC	\$50,000
T Time, LLC	\$30,000
Vacuum Processing, LLC	\$50,000

TAB 4

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

**March 27, 2017**

**APPROVED**

**VOTED:** To approve a grant to William M. Davies, Jr. Career & Technical High School pursuant to the Resolution submitted to the Board.

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

**March 27, 2017**

WHEREAS, the Board of Directors (the “Board”) of the Rhode Island Commerce Corporation (the “Corporation”) received information and a presentation regarding the development of an advanced manufacturing center (“the Center”) at the William M. Davies, Jr. Career & Technical High School (“Davies High School”);

WHEREAS, Davies High School has partnered with the Community College of Rhode Island (“CCRI”) to provide dual and concurrent coursework, workplace learning experience, and collaboration with industry and postsecondary partners at the Center;

WHEREAS, the Board has determined that Davies High School will have to make immediate investments that are in excess of its existing budget, and that Davies High School will need to hire a dedicated director to manage and administer the Center and its programs;

WHEREAS, the Board has determined that it is economically beneficial to expend funds allocated to support high school, college, and employer partnerships (the “Fund”) for the purpose of providing Davies High School funding to hire a dedicated director and to cover additional program start-up costs at the Center;

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

Section 1: The Corporation approves a grant award from the Fund to Davies High School in the amount of \$200,000.

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

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

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

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

TAB 5

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

**March 27, 2017**

**APPROVED**

**VOTED:** To approve the amended principles in relation to the Renewable Energy Fund as submitted to the Board.



# DRAFT

## Renewable Energy Development Fund Loan

### Application Review and Evaluation Principles

The Rhode Island Commerce Corporation (the “Corporation”), pursuant to the Renewable Energy Standard Act (the “Act”), R.I. Gen. Laws § 39-26-7, and the Rules and Regulations for the Renewable Energy Development Fund (the “Rules,” or “Rule” when reference is made to a specific provision of the Rules), may provide loans to applicants meeting the requirements of the Act and the Rules. The Corporation has established these application review and evaluation principles (the “Principles”) to further the program integrity goals of the Act, namely, to ensure compliance with the terms and conditions of the Act and the Rules, to safeguard the expenditure of public funds, and to ensure that the awarding of incentives furthers the objectives of the Renewable Energy Standard program, see R.I. Gen. Laws § 39-26-7; and to establish accountability standards, risk analysis standards, and program objectives in accordance with the Corporation’s enabling law, see R.I. Gen. Laws §§ 42-64-36 and 42-64-37.

These Principles do not create any legal rights, duties, obligations, or defenses, implied or otherwise, for any person or negate the Corporation’s discretion under the Act and Rules. Notwithstanding anything contained in these Principles to the contrary, the Corporation shall have and may exercise all general powers and discretion set forth in the Act and the Rules as necessary or convenient to effect their purposes.

These Principles are effective as of March 27, 2017 and shall remain in effect until such time as the Board of Directors of the Corporation (the “Board”) amends, supersedes, or repeals them.

#### 1. Application Completeness and Consistency

The Corporation will review the application for (a) completeness and (b) consistency. This review consists of the following:

A. Review for Submission Completeness: The Corporation determines if the applicant has submitted all information required by the Renewable Energy Fund (the “REF”) Loan Application. The Corporation will not recommend an application for approval unless it has determined that the application is substantially complete.

B. Review for Consistency of Material Information: The Corporation will assess whether the material information provided in the application is internally consistent.

Pursuant to the Rules, the Corporation, in its sole discretion, has the right to (a) require that an applicant furnish additional information that the Corporation deems relevant to the review of the application; (b) reject any incomplete or deficient application; and (c) may permit the resubmission of an application rejected as being incomplete or deficient.

# DRAFT

## 2. Program Eligibility

The Corporation will assess whether, based on the application and any additional information that the Corporation may require, the project and applicant, as presented, meet the eligibility requirements of the Act and the Rules. Such assessment will include testing the validity of the applicant's financial information and assumptions through the use of financial models and, if it chooses, seeking input from third-party consultants.

The Corporation may reject any application deemed to be ineligible for any reason.

## 3. Risk Assessment

The Corporation will perform an analysis and assessment of applicant and project risks. This analysis will include, collectively, the following considerations, among any others deemed relevant by the Corporation:

### A. Basic Credit Policy

Analyzing a potential loan transaction requires careful consideration of: (1) the obligor, (2) the obligor's financial condition as reflected on acceptable financial statements, (3) the obligor's management capability, (4) the obligor's industry, and (5) the economic environment of the activities supported by the loan. Assessing risk and structuring a transaction is based on sound training, judgment, and experience. Prudent lending requires that the Corporation's staff, prior to recommending approval of a transaction, to establish that:

- a) the obligor is honest and creditworthy;
- b) the obligor has capable management;
- c) the specific purpose of the transaction is in accordance with the REF program requirements;
- d) the source and plan of repayment is acceptable;
- e) all backup sources of repayment have been evaluated; and
- f) the purpose, sources of repayment and collateral are acceptable, reasonable, practical, and can be accomplished within the normal framework in which the obligor operates. Any undesirable features of each transaction will be documented.

## **DRAFT**

### **B. Review of Financial Condition**

A thorough analysis of the obligor's financial condition requires a review of the obligor's historical financial statements. Reviewing the obligor's successive annual financial statements can reveal trends that identify strength or weakness in its financial condition and operations. The comparative analysis should include a review of balance sheet items, inclusive of, but not limited to, liquidity ratios (current and quick), leverage ratios, inventory and account receivable turnover and working capital position.

Analysis of the obligor's income statement should include review of margins, profitability and cash flow. The obligor's ability to service existing, as well as the proposed new debt, must be clearly demonstrated.

### **C. Financial Information**

Given the critical importance of the analysis of current financial data in assessing an applicant's financial condition, the Corporation will obtain, at a minimum, the following information:

- a) Prior to the recommendation of an applicant for approval of a loan, current (within 120 days) financial information from (1) borrowers and (2) guarantors must be obtained and analyzed.
- b) Prior to recommendation for approval of a loan, at least two years' fiscal year-end statements should be obtained. It is preferred but not necessary that fiscal year-end financial statements and tax returns be prepared by a certified public accountant and signed by the preparer for application purposes. If the most recent fiscal statement is more than six months old, interim statements should be required and a statement for the like period of the previous year is also desirable for comparative purposes. The obligor should sign interim financial statements prepared by management.
- c) Personal financial statements for each individual guarantor should be submitted on a standardized form promulgated by the Corporation in connection with the application. All personal financial statements must be completed in detail and signed by the prospective guarantor.
- d) A minimum of two years' projections, inclusive of balance sheet, income statement, cash flow analysis and footnotes will be required.
- e) Requests for corporation, LLC's, partnerships, trusts or other borrowing entities should be substantiated with financial statements and tax returns with supporting schedules for the prior two years (full financial and participant disclosure).

## **DRAFT**

- f) Credit bureau reports are to be received, analyzed and approved by staff on all guarantors.
- g) Once a loan is approved, annual submission of updated information is mandatory for both the obligor and any guarantor within 90 days of the fiscal year-end.

#### **4. Portfolio Analysis and Impact**

The Corporation will employ a strategically appropriate portfolio strategy as part of its decision-making process regarding which investments it will make, if any, under the REF Loan program. The Corporation seeks to fulfill its legal obligations by providing and administering programs in five areas as part of the Renewable Energy Development Fund:

- A.** Small-scale Solar
- B.** Commercial Scale
- C.** Community Solar
- D.** Pre-development Feasibility Studies
- E.** Early Stage Commercialization

Key elements to this portfolio strategy may include, but may not be limited to:

- A.** REF loan portfolio balance
- B.** REF loan composition
- C.** Economic impact
- D.** Consistency with the State's overall economic and energy resources development priorities
- E.** Leveraging the Corporation's strategic initiatives and programs

TAB 6

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

**March 27, 2017**

**APPROVED**

**VOTED:** To approve Wexford One Ship, LLC for incentives under the First Wave Closing Fund program pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES  
UNDER THE FIRST WAVE CLOSING FUND ACT

March 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 64.23 of Title 42 of the General Laws of Rhode Island (the “First Wave Act”) 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 First Wave Act in relation to a project by Wexford One Ship, LLC (together with a nominee, the “Recipient”) for the location of a “Health Technology Center” (“the Project”) at One Ship Street, Providence; 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 First Wave Act.

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

**RESOLVED:**

1. To accomplish the purposes of the Enabling Act and the First Wave Act, the Corporation approves the issuance of the following incentives:
  - a. A grant to the Recipient under the First Wave Act in the amount of up to Seven Hundred Thousand Dollars (\$700,000).
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 First Wave Act 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. 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; and (iii) 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, including a lease for occupancy at One Ship Street, Providence, Rhode Island, 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

TAB 7

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

**March 27, 2017**

**APPROVED**

**VOTED:** To approve eMoney Advisor for incentives under the Qualified Jobs Incentive Tax Credit program and First Wave Closing Fund program pursuant to the Resolution presented to the Board.

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

March 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 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 eMoney Advisor, LLC (the “Recipient”) for creation of a new IT and software development office in Rhode Island (“the Project”), which is anticipated to result in the creation of one hundred (100) 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 one hundred (100) 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 Ninety-Seven Thousand Five Hundred Dollars (\$97,500).
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



TAB 8

EXECUTIVE SESSION