

**RHODE ISLAND COMMERCE CORPORATION**

**AGENDA**

**June 14, 2021**

Call to order and opening remarks.

- Tab 1: To consider the approval of meeting minutes.
- Tab 2: To consider approval of applicants under the Site Readiness Program.\*
- Tab 3: To consider an amendment in relation to incentives for a proposed project by Fortuitous Tidewater OZ, LLC pursuant to the Rebuild Rhode Island Tax Credit program.\*
- Tab 4: To consider approval of Innovation Vouchers.\*
- Tab 5: To consider the utilization of the Corporation's incentive programs for the investment of public funds.\*

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

TAB 1

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

**JUNE 14, 2021**

**APPROVED**

**VOTED:** To approve the public session meeting minutes for the May 12, 2021 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION  
MEETING OF DIRECTORS  
PUBLIC SESSION  
May 12, 2021

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on May 12, 2021, in Public Session, beginning at 1:30 p.m. via Zoom conference, pursuant to Executive Order 20-46 and 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 Daniel J. McKee, David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Donna Sams, Bill Stone, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: Bernard Buonanno, III.

Also present were: Secretary of Commerce Stefan Pryor; Jesse Saglio, President & COO; and Christopher Fragomeni, Esq.

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

The Governor called the meeting to order at 1:45 p.m., indicating that a quorum was present.

2. **TO CONSIDER FOR APPROVAL MEETING MINUTES.**

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

**VOTED:** To approve the public session meeting minutes for the March 22, 2021 meeting as presented to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Donna Sams, Bill Stone, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

3. **TO CONSIDER CONTRACT EXTENSIONS IN RELATION TO VENDORS FOR MARKETING.**

Matt Sheaff, the Corporation's Director of Communications and Stakeholder Outreach, explained that he has been acting Chief Marketing Officer while the Corporation searches for a candidate for that position. That role, he stated, includes the promotion of the State for tourism and the attraction of companies to relocate to the State and create jobs. Mr. Sheaff recounted that

the Board previously authorized the engagement of four marketing firms to assist with tourism and business attraction services, and he explained that the contracts for those firms are soon coming to an end. He requested that the Board authorize the extension of the contracts for those four firms until the Corporation retains a Chief Marketing Officer who can conduct a request for proposal process to select vendors for these services.

Mr. Sheaff discussed the Corporation's digital marketing and ability to track advertising reach and hotel room booking. He noted that the Corporation has experienced a three-times return on every dollar it has spent on marketing. In response to questions by Mr. Wadensten and Mr. Stone, Mr. Sheaff stated that the State has experienced a fifty percent decline in hotel taxes and the proposed extension of the contracts have no cost increase. Mr. Chenevert inquired as to the amount of the Corporation's marketing budget, and Mr. Sheaff responded that the budget was \$5 million last year and is \$3 million this year.

Upon motion duly made by Dr. Dann-Messier and seconded by Mr. Nee, the following vote was adopted:

**VOTED:** To approve contract extensions in relation to vendors for marketing as presented to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Donna Sams, Bill Stone, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

4. **TO CONSIDER INCREASING FUNDING FOR THE RETENTION OF VENDORS FOR (1) MARKETING SERVICES TO PROMOTE STATE OR FEDERAL ASSISTANCE PROGRAMS AND RESOURCES TO SMALL BUSINESSES; AND (2) TECHNICAL ASSISTANCE AND OUTREACH TO COVID-IMPACTED BUSINESSES.**

Daniela Fairchild, the Corporation's Director of Operations and Special Projects, explained that the Board previously authorized about \$1.1 million to engage vendors to market State and federal assistance programs and provide technical assistance in applying for those programs. She requested that the Board increase that funding by \$150,000, which increase had already been approved by the Department of Administration.

In response to a question by Mr. Wadensten, Ms. Fairchild explained that the technical assistance vendors are assisting companies in applying for the Paycheck Protection Program and in seeking forgiveness of loans received previously from that program. In response to a question by Ms. Toledo-Vickers, Ms. Fairchild stated that about 2,000 businesses have been assisted through technical support. She also noted that through the door-to-door outreach efforts aimed at driving awareness of these support programs, the Corporation has also been able to identify businesses that may benefit from the proposed minority business accelerator that is in development.

Upon motion duly made by Ms. Kaplan and seconded by Dr. Dann-Messier, the following vote was adopted:

**VOTED:** To approve increasing funding for the retention of vendors for (1) marketing services to promote state or federal assistance programs and resources to small businesses; and (2) technical assistance and outreach to COVID-impacted businesses pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Donna Sams, Bill Stone, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

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

5. **TO CONSIDER THE RETENTION OF AN EXECUTIVE SEARCH FIRM.**

Ms. Fairchild explained that the Corporation has several open executive positions, including a vacant Chief Financial Officer position. She stated that to ensure that the Corporation employs the best candidates, it has issued a request for proposals for an executive search firm. She noted the importance of a complete staff to support the Corporation's COVID-response work and to carry on the Corporation's day-to-day operations.

Ms. Fairchild stated that the Corporation received three responses to the request for proposals, the best of which was from O'Neill Consulting Group, Inc. ("O'Neill"), a local Rhode Island company that is emerging as a national and global firm. She explained that O'Neill proposed to perform search services for eight positions for \$95,000. Secretary Pryor noted some work that O'Neill performed for the Corporation in the past. The principal of O'Neill, Kevin O'Neill, and Mr. Wadensten discussed attracting employees to Rhode Island.

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

**VOTED:** To approve the retention of an executive search firm pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Donna Sams, Bill Stone, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

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

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 2:15 p.m. upon motion made by Mr. Stone and seconded by Mr. Wadensten.

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MAY 12, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT A



**MEETING NOTICE**  
**RHODE ISLAND COMMERCE CORPORATION**

A meeting of the Rhode Island Commerce Corporation (“Corporation”) will be held on **May 12, 2021** at **1:30 p.m.** via Zoom. Public access to the meeting is available as provided below:

Public access link:

<https://zoom.us/j/99279343084?pwd=UVh0WjRJSjHcwWFRsTkEyU0ZlZVkwUT09>

Public passcode: 192506

Webinar ID: 992 7934 3084

Telephone access: 1-646-876-9923

If technical assistance is needed, contact Michael Walker at 401-278-9105.

The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To consider contract extensions in relation to vendors for marketing.
3. To consider increasing funding for the retention of vendors for (1) marketing services to promote state or federal assistance programs and resources to small businesses; and (2) technical assistance and outreach to COVID-impacted businesses.
4. To consider the retention of an executive search firm.
5. To consider the utilization of the Corporation’s incentive programs for the investment of public funds.\*

\* Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(5), (a)(7) to consider the investment of public funds in regard to this Agenda item.

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

Any individual requiring a reasonable accommodation in order to participate in this meeting must notify the Rhode Island Commerce Corporation at 278-9105, forty-eight (48) hours in advance of the meeting.

Dated: May 10, 2021.

MAY 12, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

**May 12, 2021**

**(With Respect to the Increase of Funding for the Retention of Vendors for Marketing,  
Technical Assistance, and Outreach Services)**

WHEREAS, the Rhode Island Commerce Corporation's Board of Directors ("Board") previously approved \$300,000 in funding for technical assistance and \$500,000 for outreach services and authorized an addition \$300,000 for both technical assistance and outreach (collectively, the "Funding"); and

WHEREAS, the Board has received a presentation from the Corporation's staff that requests that the Funding be increased by \$150,000.

NOW THEREFORE, be it resolved by the Corporation, acting through its Board of Directors, as follows:

Section 1: The Board hereby approves the expenditure of up to \$150,000 as increased funding for purposes of retaining vendors ("Vendors") to provide technical assistance or outreach services ("Services").

Section 2: That the Chair, the Vice Chair, the Secretary of Commerce, the President & COO or the Chief Financial Officer, acting singly, is hereby authorized to take any and all actions necessary to accomplish the intent of this resolution, including (i) the negotiation and execution of one or more contracts with the Vendors, and amendments thereto; (ii) the expenditure of funding to perform the Services; and (iii) to take any other actions necessary to consummate the expenditure of funds and the retention of the Vendors as authorized herein.

Section 3: This resolution shall take effect immediately upon passage by the Board.

MAY 12, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

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

**May 12, 2021**

**(With Respect to the Retention of an Executive Search Firm)**

WHEREAS, the Rhode Island Commerce Corporation (“Corporation”) issued a request for proposals for executive search services (“Services”); and

WHEREAS, the Corporation’s Board of Directors has received a presentation from the Corporation’s staff recommending that it engage O’Neill Consulting (“Vendor”) to perform the Services.

NOW THEREFORE, be it resolved by the Corporation, acting through its Board of Directors, as follows:

Section 1: The Board hereby approves the retention of the Vendor in an amount not to exceed \$95,000, plus out of pocket expenses at the discretion of the President & COO.

Section 2: That the Chair, the Vice Chair, the Secretary of Commerce, the President & COO or the Chief Financial Officer, acting singly, is hereby authorized to take any and all actions necessary to accomplish the intent of this resolution, including (i) the negotiation and execution of one or more contracts with the Vendor, and amendments thereto; (ii) the expenditure of funding to perform the Services; and (iii) to take any other actions necessary to consummate the expenditure of funds and the retention of the Vendor as authorized herein.

Section 3: This resolution shall take effect immediately upon passage by the Board.

TAB 2

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

**JUNE 14, 2021**

**APPROVED**

**VOTED:** To approve applicants under the Site Readiness Program pursuant to the resolution submitted to the Board.

RESOLUTION OF THE BOARD OF DIRECTORS OF  
THE RHODE ISLAND COMMERCE CORPORATION  
June 16, 2021

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation (“the Corporation”) received a presentation from the Corporation’s staff regarding proposed awards for applicants under the Site Readiness Program (the “Program”); and

WHEREAS, the proposed awards are consistent with the purposes of the Program.

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

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO, Chief Financial Officer and/or Executive Vice President Investment (the “Authorized Officers”), acting singly, shall have the authority to make awards for the following projects under the Program:

<u>Recipient</u>	<u>Up to Amount</u>
Town of Smithfield	\$200,000
TDB, LLC	\$15,000
City of Woonsocket	\$175,000
Town of Cumberland	\$100,000
North Providence	\$60,000
City of Cranston	\$125,000
RI Waterfront Enterprises	\$111,300
City of Pawtucket	\$100,000
City of Pawtucket (Front Street)	\$40,000
One Neighborhood Builders (Atwells)	\$25,000
One Neighborhood Builders (Atlantic Mills)	\$100,000
Newport	\$50,000

Section 2: Such Awards have been granted in compliance with the Grant Application Review and Evaluation Principles adopted by the Corporation.

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



TAB 3

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

**JUNE 14, 2021**

**APPROVED**

**VOTED:** To approve an amendment in relation to incentives for a proposed project by Fortuitous Tidewater OZ, LLC under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES  
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT  
June 14, 2021

**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 (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 Fortuitous Tidewater OZ, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a multi-building (including a professional soccer stadium, the “Stadium”) mixed-used project (the “Project”) located on land on both banks of the Seekonk River in Pawtucket, RI; and

**WHEREAS:** The Board of the Corporation (the “Board”) previously approved incentives under the Rebuild RI Tax Credit Act on February 5, 2021 for the Project together with incentives under Chapter 33.4 of Title 45 of the General Laws of Rhode Island; and

**WHEREAS:** The Stadium component of the Project has certain critical timing factors to ensure availability of the premises to permit occupancy and use by a professional soccer organization and as a result the Recipient has requested that the Board authorize the incentives to issue upon completion of the Stadium component of the Project in order to facilitate timely completion thereof; 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 in relation to the Stadium component of the Project and has voted to recommend to the Board of the Corporation the approval of the tax credits and tax exemption; and

**WHEREAS:** The Board of the Corporation received a presentation regarding the requested amended authorization and 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 in connection with the Stadium component of the Project.

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 up to the amount of \$14,000,000 to the Recipient and a sales and use tax exemption that will reduce the tax credits dollar for dollar, and the Authorized Officers (hereinafter defined) shall have the authority to permit the issuance of such incentives in relation to the completion of the Stadium component of the Project.
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 shall deem appropriate in the sole discretion of such Officer;
  - b. Verification by the Corporation of compliance with the applicable Eligibility Requirements 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) to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) 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 any other applicable Eligibility Requirements of the Rules.

4. The Corporation has prepared and publicly released 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 Executive Vice President Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same. Stacy Farrell is appointed Assistant Secretary for all purposes under this Resolution.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.

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

EXHIBIT 1

**From:** Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Jesse Saglio, 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:** June 14, 2021

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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 Tidewater OZ, LLC for tax credits of \$14,000,000.

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.*

The total credits to be awarded to the applicant shall not be in excess of the amount listed above.



EXHIBIT 2



# OFFICE OF MANAGEMENT & BUDGET

**Jonathan Womer, Director**


One Capitol Hill  
Providence, RI 02908-5890

Office: (401) 574-8430  
Fax: (401) 222-6436

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## MEMORANDUM

To: Board of Directors, Rhode Island Commerce Corporation

From: Jonathan Womer  
Director, Office of Management & Budget 

Date: February 4, 2021

Subject: Rebuild Rhode Island Tax Credit Applications

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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 (the “Board”) one project for the receipt of tax credits and sales and use tax exemptions under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$14,000,000.00. That recommendation is as follows:

1. That the application submitted by Tidewater Landing be approved for tax credits in a maximum amount of \$14,000,000.00, which includes \$4,000,000.00 of sales and use tax exemptions.

As of December 21, 2020, the Corporation had approved tax credits and sales and use tax exemptions under the program in the amount of \$191,462,426.69. The approval of an additional \$14,000,000.00 in tax credits and sales and use tax exemptions would bring the cumulative total of approved tax credits, sales and use tax exemptions, and/or loans to \$205,462,426.69. Currently \$82.2 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) authorized aggregate tax credits, sales and use tax exemptions, and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$210 million. Pursuant to section 42-64.20-6(a)(4), OMB confirms that the aggregate credits recommended by the Commerce Corporation do not exceed the maximum aggregate credits allowed under this chapter in accordance with § 42-64.20-5(f).

Based on information provided by the Corporation, OMB anticipates the budget impact to the state of the tax credits, sales and use tax exemptions, and/or loans, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.







Estimated Sales Tax Rebates by Fiscal Year

Fiscal Year - Sales Tax Rebates	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
1 45 Pike <sup>(1)</sup>	404,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,600
2 78 Fountain Street	-	-	-	-	900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900,000
3 A.T. Cross <sup>(1)</sup>	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,000
4 Agoda <sup>(2)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
5 Aloft Hotel	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
6 Bristol Belvedere	-	-	-	-	-	166,270	-	-	-	-	-	-	-	-	-	-	-	-	-	166,270
7 Case Mead <sup>(3)</sup>	225,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,000
8 Chestnut Commons	-	-	-	572,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572,000
9 Downcity II	-	-	-	-	378,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378,000
10 Dexter Street	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
11 Electric Boat	-	-	-	-	5,700,000	-	3,900,000	-	-	-	-	6,700,000	-	-	1,700,000	-	-	-	-	18,000,000
12 Farm Fresh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
13 Firley	-	-	-	471,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	471,500
14 Gotham Greens	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
15 Hope Artiste	-	-	-	450,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450,597
16 Immunex RI Corporation	-	-	-	-	3,255,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,255,000
17 Infinity Meat	-	-	-	1,800,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800,000
18 Infosys	-	-	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
19 Innovate Newport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
20 Lippitt Mill	-	-	-	230,691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,691
21 Louttit Laundry	-	-	-	271,239	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271,239
22 Ocean State Job Lot <sup>(3)</sup>	-	-	1,232,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,232,060
23 ONE MetroCenter	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
24 Pontiac Mills	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
25 Prospect Heights <sup>(3)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
26 Providence Commons	-	-	-	600,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
27 R&W Phase II	-	-	-	96,656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,656
28 Residence Inn	-	-	-	629,921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	629,921
29 River House	-	-	-	700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000
30 Rubius Therapeutics	-	-	-	-	2,700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,700,000
31 The Edge	-	-	537,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	537,176
32 The Edge II	-	-	-	-	-	1,295,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,295,000
33 Union Trust	-	-	194,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194,591
34 Virgin Pulse <sup>(1,4)</sup>	-	42,728	-	68,020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,748
35 Warwick Hyatt Hotel <sup>(1,4)</sup>	-	531,513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	531,513
36 Wexford	-	-	-	734,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734,189
37 Blount Fine Foods	-	-	-	-	269,808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	269,808
38 Mearthane Products	-	-	-	-	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,000
39 Parade Street	-	-	-	-	196,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196,910
40 Strive Lofts	-	-	-	-	108,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,171
41 Parcel 6	-	-	-	-	670,099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670,099
42 Hotel Beatrice <sup>(5)</sup>	-	-	-	750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750,000
43 Fuller Mill	-	-	-	-	169,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	169,680
44 Millrace I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
45 Nexus Lofts	-	-	-	-	161,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161,700
46 South Quay Marine Terminal <sup>(6)</sup>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
47 Merchant Oversees	-	-	-	-	173,063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173,063
48 404 Broad Street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
49 Millrace District II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
50 JK Equities	-	-	-	-	190,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190,000
51 Tidewater Landing	-	-	-	-	-	4,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000,000
<b>Total Rebuild Sales Tax</b>	<b>\$696,600</b>	<b>\$574,241</b>	<b>\$1,963,827</b>	<b>\$7,974,813</b>	<b>\$17,435,431</b>	<b>\$5,961,270</b>	<b>\$3,900,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$6,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$46,906,182</b>

Notes:

- 1.) Award not anticipated based on updated project status.
- 2.) Company withdrew.
- 3.) Certification approved figures.
- 4.) Warwick Hotel and Virgin Pulse (Phase 1) were certified before change in Sales & Use Tax Rebate regulations.
- 5.) Project was amended in June 2020
- 6.) Project estimates potential \$2.1 million in rebates in FY 22, but these would reduce Rebuild Rhode Island credits if claimed.

EXHIBIT 3



## **Rhode Island Commerce Corporation Tidewater Landing & Division Street Development Net New Economic and Fiscal Impact Analysis**

### **Introduction**

In April 2019, Fortuitous Partners (“Fortuitous”) submitted a proposal to the Rhode Island Commerce Corporation (the “Corporation”) and the City of Pawtucket (the “City”) to redevelop property along the riverfront in downtown Pawtucket. The proposal includes a Master Plan to redevelop two sites at Tidewater and Division Street with a mixed-use district<sup>1</sup> anchored by a United Soccer League Championship (“USLC”) stadium and indoor event center<sup>2</sup>.

The project would be developed across two phases<sup>3</sup> and include:

#### Phase 1:

- A 7,500-seat USLC stadium
- 60,000 square feet of new office space
- 56,750 square feet of retail and restaurant space
- 435 residential units
- One parking garage with a total of 750 spaces, plus 150 spaces below the residential building at Division Street
- Infrastructure and public space improvements (utility and stormwater improvements, roadway and streetscape improvements, off-site infrastructure improvements, Riverwalk)

#### Phase 2:

- A 139,500 square-foot indoor events center
- A 120-room hotel
- Infrastructure and public space improvements (pedestrian bridge, Riverwalk, roadway and streetscape improvements)

Fortuitous’ proposal to the Corporation and City included a preliminary project budget, financial operating projections and economic and fiscal impacts estimated to be generated by the proposed development. To assist in evaluating the proposal, the Corporation and City engaged Conventions, Sports & Leisure International (“CSL”) to analyze the information submitted. As part of the analysis, CSL reviewed the Fortuitous Master Plan, evaluated project costs, estimated utilization and projected financial operations related to the stadium and event center and analyzed the net new benefits estimated to be generated to the public for reasonableness. As a point of comparison to the net new benefits included in Fortuitous’ proposal, CSL developed an estimate of the quantifiable benefits of the proposed development based on

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<sup>1</sup> A feasibility study for the mixed-use businesses has not been completed to date.

<sup>2</sup> A feasibility study for the indoor event center has not been completed to date.

<sup>3</sup> Proposed development project budget and operating model submitted by Fortuitous, November 2020.



historical operations of comparable USLC teams, industry data, information from Fortuitous and Hunden Strategic Partners (“HSP”)<sup>4</sup>, the use of IMPLAN multipliers<sup>5</sup> and CSL’s experience in quantifying the economic and fiscal impacts of similar projects.

This analysis summarizes the estimated economic impacts associated with Phase 1 of the development. Fortuitous estimates the total cost of Phase 1 to be \$284.1 million and is requesting public funds toward the project.

## Methodology

### *Overview of Economic Impacts*

Typically, and for purposes of this analysis, quantifiable effects are characterized in terms of economic impacts and fiscal impacts. Economic impacts are conveyed through measures of direct spending, total output, personal earnings, and employment, while fiscal impacts denote changes in tax revenues.

Each of the measures of economic impact is further described below:

**DIRECT SPENDING** represents spending generated by facility and business operations, including:

- In-Stadium operations and expenditures by patrons and event personnel on admissions, food and beverage, merchandise, etc.;
- Mixed-use business operations;
- Out-of-Stadium spending by patrons, visiting teams and event personnel on hotels, food and beverage, retail, transportation, entertainment and other such expenditures; and,
- Out-of-District spending by district office employees and residents.

**TOTAL OUTPUT** represents the total **direct, indirect, and induced spending** effects generated by the Pawtucket Riverfront Redevelopment Project. **Indirect** spending consists of the re-spending of the initial direct spending, and **induced** spending effects consists of the positive changes in spending, employment, earnings, and tax collections generated by personal income associated with the operations of the proposed development. *Economic impacts were estimated utilizing multipliers from the IMPLAN system which is an industry leading resource used by various government entities, universities, and private companies.*

**PERSONAL EARNINGS** represent the wages and salaries earned by employees of businesses impacted by the operations of the Pawtucket Riverfront Redevelopment Project.

**EMPLOYMENT** is expressed in terms of person years of employment and is based on project spending. Person years are defined as one year of employment, or 2,080 annual hours, and may be full- or part-time.

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<sup>4</sup> CSL relied on the mixed-use businesses operating model (office, restaurant/retail, residential and hotel) submitted by Fortuitous, November 2020.

<sup>5</sup> The IMPLAN system is an industry leading resource used by various government entities, universities, and private companies.

The ongoing operations of the Pawtucket Riverfront Redevelopment Project would impact the local economy in a variety of ways. As outlined in the following graphic, **GROSS DIRECT SPENDING** is generated during construction on materials, supplies, and labor; and annual operations on tickets, concessions, sponsorships, business operations, etc., as well as before and after events at local hotels, restaurants, retail, and other such establishments.

To estimate the incremental economic impact benefits generated to the local economy from these **SPENDING** sources, certain **ADJUSTMENTS** must be made to gross direct spending to reflect the fact that all spending is not likely to impact the local economy. The following graphic also summarizes the adjustments made to gross direct spending in order to determine **NET NEW DIRECT SPENDING** impacting the local economy.



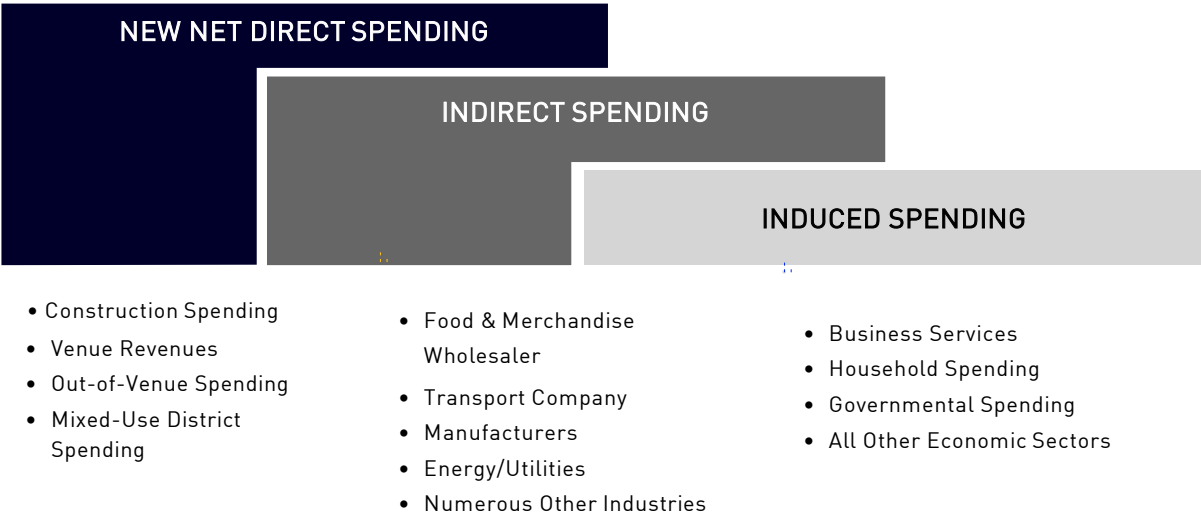
Adjustments must be made to account for the fact that a certain amount of spending associated with the Pawtucket Riverfront Redevelopment Project will be made by local residents and, therefore, likely represents money that could already be spent in the economy in another form. This is called **displacement** and reduces the overall net new impacts. This type of spending is not considered net new to the local economy.

Additionally, not all spending associated with the proposed development would take place in the local economy. A portion of this spending is likely to occur outside the immediate area. This is called **leakage** and similarly reduces the overall impact. The economic impacts presented herein are derived specifically from the net new direct spending estimated to be associated with proposed facility and business operations.

**Multiplier Effects**

Economic impacts associated with proposed development operations would be further increased through re-spending of the net new direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with the direct spending and continuing through each successive round of re-spending.

Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the surrounding economy, as illustrated below.



**INDIRECT EFFECTS** consist of the re-spending of the initial or direct net new expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or use them to pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed **leakage** and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:

- wholesale industry as purchases of food and merchandise products are made;
- transportation industry as the products are shipped from purchaser to buyer;
- manufacturing industry as products used to service the facility, businesses, vendors, and others are produced;
- utility industry as the power to produce goods and services is consumed; and,
- other such industries.

**INDUCED EFFECTS** consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the facility and businesses. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and

population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. An area that is capable of producing a wide range of goods and services within its border will have high multipliers, resulting from an existing positive correlation between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

As an example, say John attends a USLC soccer home game. Before the game, John goes to dinner at a restaurant in downtown Pawtucket. John's spending at the restaurant is **defined as direct spending**. The restaurant John eats at uses that money (and the money spent by those similar to John) to purchase meat, produce and other supplies from a local supplier. The restaurant's spending is **defined as indirect spending**. The local supplier uses the money spent by the restaurant to pay its employees, who then turn around and spend money in the local area on goods and services. The spending by the suppliers' employees is defined as **induced spending**.

Thus, if John had spent \$1.00 directly at the restaurant, that \$1.00 is then multiplied by 1.85 to arrive at \$1.85 of Total Output. In other words, \$1.00 of Direct Spending on food and beverage generates an additional 85 cents of re-spend in the State of Rhode Island.

### ***Tax Revenue Impacts***

In addition to the economic impacts generated by the Pawtucket Riverfront Redevelopment Project throughout the local market area, the public sector also benefits from increased tax revenues. In preparing estimates of tax revenue impacts, total tax revenues attributable to the direct spending generated by the proposed development were estimated. In addition, estimates of the effect of total output and earnings on the tax collections have been estimated. Tax revenues are based on the current applicable tax rates. Future changes in these rates would have an impact on the resulting tax collections. The sources of tax revenue focused on in this analysis include:

#### **STATE OF RHODE ISLAND:**

- Sales Tax – 7.00%
- Hotel Tax – 5.00%
- F&B Tax – 7.00%
- Corporate Income Tax – 7.00%
- Personal Income Tax – 4.00%

## Quantitative Economic & Tax Revenue Impact Analysis

### Key Assumptions

The following is a list of key data points and assumptions used to estimate the economic and tax revenue impacts associated with the construction and operations of the Pawtucket Riverfront Redevelopment Project.

- Project costs are estimated to total \$284.1 million throughout construction Phase 1 from early 2021 to 2023.
- The new USLC stadium will host 36 events with paid attendance of approximately 184,000 in a stabilized year of operations (2026), including 20 USLC home matches.
- Based on industry data, 50 percent of stadium attendees are assumed to live outside the State of Rhode Island.
- Spending by visitors for events at the stadium consists of in-facility spending on tickets, concessions, merchandise and parking, as well as out-of-facility spending on hotels, restaurants, shopping, transit, entertainment, services and other such expenditures. Per capita out-of-stadium spending by visitors is estimated to total the following (2026 dollars):
  - In-State Day Trippers: \$10.50
  - Out-of-State Day Trippers: \$14.75
  - Out-of-State Overnighters: \$255.50
- The retail and restaurant space will have a 10 percent vacancy rate and generate \$472 in sales per square foot by a stabilized year of operations (2026)<sup>6</sup>.
- The office space will garner a lease rate of \$42.50 by a stabilized year of operations (2026)<sup>6</sup>.
- Out-of-district spending by office employees is estimated based on *International Council of Shopping Centers Office-Worker Retail Spending in a Digital Age* report. The residential buildings will have an eight percent vacancy rate and achieve a lease rate of \$2.40 per square foot by a stabilized year of operations (2026)<sup>6</sup>.
- Ancillary resident spending is based on spending data from the National Association of Home Builders *The Economic Impact of Home Building in a Typical Local Area* report.
- Net new adjustments were applied to each category of spending to account for displacement (estimated amount of spending that would have been spent in the State regardless of the proposed development) and leakage (estimated amount of spending that takes place outside of the State).

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<sup>6</sup> CSL relied on the mixed-use businesses operating model (office, restaurant/retail, residential and hotel) submitted by Fortuitous, November 2020.

**One-Time Construction Impacts**

As shown in Table 1, Fortuitous’s estimate of total Phase 1 project cost is approximately \$284.1 million.

**Table 1: Estimated Total Phase 1 Project Cost**

Component	Estimated cost
Construction – hard costs	\$235,604,000
Construction – soft costs	\$48,530,000
<b>Total</b>	<b>\$284,134,000</b>

It is assumed that after accounting for contractor profits (assumed at 10 percent of total project cost), 60 percent of the project budget would be spent on materials and 40 percent on labor. Based on industry data, it is assumed that 60 percent of materials spending would occur within the State and 75 percent of labor expenditures would take place in the State.

The one-time net new economic impacts estimated to be associated with the construction of a new USLC stadium and ancillary development include:

- \$161.8 million in direct spending in the State;
- \$266.7 million in total output; and,
- 1,790 full and part-time jobs and that create approximately \$109.7 million in personal earnings.

These impacts are summarized on the following 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: Summary of One-Time Phase 1 Construction Impacts**

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	1,080	710	1,790
Personal Earnings	\$71,554,000	\$38,178,000	\$109,732,000
Total Output	\$161,787,000	\$104,934,000	\$266,721,000

The activity reflected in Table 2 is estimated to occur from early 2021 through 2023.

The anticipated wage rates for construction jobs are shown on the following page in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island, as of 2019.

**Table 3: Anticipated Wages During Construction**

Occupation	RI median hourly wage <sup>7</sup>
Architect	\$36.33
Construction manager	\$52.71
Carpenter	\$23.40
Electrician	\$28.06
Plumber	\$24.13
Painter	\$21.68
Laborer	\$24.30

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 State.

**Annual Recurring Impacts**

***In-District Spending***

Phase 1 facilities and business are anticipated to begin operating in 2023, reaching a stabilized year of operations by Year 4 (2026). The following table summarizes the annual spending and resulting impacts estimated to be generated from the ongoing operations of the Pawtucket Riverfront Redevelopment Project stadium and businesses.

**Table 4: Summary of Annual Recurring Economic Impacts Generated On-Site by the Pawtucket Riverfront Redevelopment Project Phase 1, 2026**

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	538	91	629
Personal Earnings	\$34,179,000	\$5,171,000	\$39,350,000
Total Output	\$17,707,005	\$14,778,000	\$32,485,005

As outlined in the key assumptions, in-district spending consists of in-facility spending by patrons of the stadium on items such as admissions, concessions, merchandise and parking, as well as mixed-use business operations. Table 4 summarizes the net new economic impact to the State from in-district spending estimated to occur within the proposed stadium and businesses annually:

- \$17.7 million in net new direct spending;
- \$32.5 million in total output;
- 629 full and part-time jobs (FTEs); and,
- \$39.4 million in annual personal earnings.

<sup>7</sup> Median wages cited in Table 3 are from Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2019

**Out-of-District Spending**

In addition to the operations of the proposed stadium and businesses, the Rhode Island economy will benefit from the out-of-district spending generated as a result of the Pawtucket Riverfront Redevelopment Project. Out-of-district spending includes all spending by visiting teams and spectators to the new USLC stadium, as well as office workers employed on-site and residents living in the apartment buildings.

As shown below in Table 5, it is estimated that in 2026 out-of-district spending will directly and indirectly support:

- \$5.7 million in net new direct spending;
- \$10.6 million in total output;
- 131 full and part-time jobs; and,
- \$4.8 million in annual earnings.

**Table 5: Summary of Annual Recurring Economic Impacts Generated Off-Site by the Pawtucket Riverfront Redevelopment Project Phase 1, 2026**

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	101	31	131
Personal Earnings	\$3,114,000	\$1,713,000	\$4,827,000
Total Output	\$5,709,000	\$4,848,000	\$10,557,000



### Impact on State Tax Revenues

The proposed project would generate state tax revenues through spending on construction, through the operations of proposed stadium and businesses, and through out-of-district spending by those patronizing the new USLC stadium and mixed-use businesses. The following table provides a summary of the net new fiscal impacts estimated to be generate to the State on an annual basis by type.

**Table 6: Summary of Fiscal Impacts of Construction and Phase 1 Annual Operations Net New to the State, 2026**

<b>Impact on:</b>	<b>Direct</b>	<b>Indirect &amp; Induced</b>	<b>Total</b>
<b>Construction Impacts:</b>			
Sales Tax	\$5,343,000	\$2,448,000	\$7,791,000
Personal Income Tax	\$2,545,000	\$1,018,000	\$3,563,000
Corporate Income Tax	\$1,492,000	--	\$1,492,000
<b>Total</b>	<b>\$9,380,000</b>	<b>\$3,466,000</b>	<b>\$12,846,000</b>
<b>In-District Annual Operations Impacts:</b>			
Sales Tax	\$191,000	\$200,000	\$391,000
Hotel Tax	--	--	\$0
F&B Tax	\$648,000	--	\$648,000
Corporate Income Tax	\$504,000	--	\$504,000
Personal Income Tax	\$879,000	\$80,000	\$959,000
<b>Total</b>	<b>\$2,222,000</b>	<b>\$280,000</b>	<b>\$2,502,000</b>
<b>Out-of-District Annual Operations Impacts:</b>			
Sales Tax	\$199,000	\$69,000	\$268,000
Hotel Tax	\$25,000	--	\$25,000
F&B Tax	\$87,000	--	\$87,000
Corporate Income Tax	--	--	--
Personal Income Tax	\$99,000	\$28,000	\$127,000
<b>Total</b>	<b>\$410,000</b>	<b>\$97,000</b>	<b>\$507,000</b>

Overall, it is estimated that construction of the new USLC stadium and mixed-use businesses could generate approximately \$12.8 million to the State of Rhode Island. On an annual basis, the operations of the facility and businesses could generate approximately \$2.5 million from in-district activities and \$507,000 from out-of-district activities to the State in 2026.

### **Non-Quantifiable Impacts**

In addition to the more quantifiable benefits, some benefits related to the construction and operations of a new USLC stadium and mixed-use businesses on the riverfront in Pawtucket cannot be quantifiably measured. Potential qualitative benefits for the State of Rhode Island include:

- Enhanced activity across two underutilized sites on the riverfront in Pawtucket;
- Modern facility for a new USLC soccer team;
- Enhanced spectator event opportunities for citizens of the State of Rhode Island;
- Enhanced community pride, self-image, exposure and reputation;
- Increased opportunities for charitable programs and community outreach;
- New advertising/sponsorship opportunities for local area businesses;
- Enhanced economic growth and ancillary private sector development;
- Increased supply of office space in the City of Pawtucket;
- Increased supply of apartment units; and,
- Other such benefits.

TAB 4

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

**JUNE 14, 2021**

**APPROVED**

**VOTED:** To approve 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

June 14, 2021

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 an application from Magnetic Seal Corp. (the “Recipient”) for an award of an Innovation Voucher (the “Voucher”); and

WHEREAS: The Board of Directors of the Corporation (the “Board”) received a presentation detailing the Voucher proposed to be granted to the applicant 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 a Voucher to the Recipient in the amount of \$50,000.
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of a Voucher Agreement between the Corporation and the 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, 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 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.
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.
7. This resolution shall take effect immediately upon adoption by the Board.