

RHODE ISLAND COMMERCE CORPORATION

AGENDA

June 1, 2022

Call to order and opening remarks.

- Tab 1: To consider for approval meeting minutes.
- Tab 2: To consider the application of REGENT Craft Inc., for incentives under the Qualified Jobs Incentive Tax Credit program.*
- Tab 3: To discuss a proposed project by Fortuitous Tidewater OZ, LLC.*
- Tab 4: To consider the sale of real estate on New London Ave., Cranston to the Department of Administration.
- 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 1, 2022

APPROVED

VOTED: To approve the public session and executive session meeting minutes for the May 11, 2022 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
May 11, 2022

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on May 11, 2022, in Public Session, beginning at 5:00 p.m., 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, Michael McNally, George Nee, Donna Sams, and Vanessa Toledo-Vickers.

Directors absent were: Bernard Buonanno, III, Bill Stone, and Karl Wadensten.

Also present were: Secretary of Commerce Stefan Pryor; Hilary Fagan, President & COO; and Christopher J. Fragomeni, Esq.

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

The Governor called the meeting to order at 5:08 p.m., indicating that a quorum was present.

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

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

VOTED: To approve the public session meeting minutes for the March 28, 2022 meeting as presented to the Board.

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

Voting against the foregoing were: none.

3. **TO CONSIDER HIGH ROCK WESTMINSTER STREET, LLC, FOR AN AWARD UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM AND THE FIRST WAVE CLOSING FUND.**

Secretary Pryor stated that the proposed incentives for Highrock Westminster Street, LLC ("High Rock") under the Rebuild Rhode Island Tax Credit program ("Rebuild") and the First Wave Closing Fund ("First Wave") is the first of a series of public body approvals. Those incentives, he stated, relate to the revitalization of the "Superman" building, located at 111

Westminster Street, Providence, RI. He explained the PowerPoint presentation attached hereto as **Exhibit B**.

Secretary Pryor stated that the project converts the building into a predominantly residential structure with two hundred eighty-five units, and the project is anticipated to cost approximately \$220 million. He indicated that a portion of the residential units will be deed-restricted for affordable housing between eighty and one hundred twenty percent of the area median income. He also explained that the project will include some commercial space and a rehabilitation of the banking hall for mixed uses. Secretary Pryor described some of the public benefits of the project, which include, among other things, LEED certification, a best-efforts requirement to utilize minority and women owned businesses as twenty percent of the vendors, and bringing over five hundred individuals to the downtown area. Restoring the building, he stated, will also revitalize and restore Providence's skyline.

Secretary Pryor outlined the State financing of the project, which includes incentives under the Rebuild program, totaling \$15 million, and the First Wave program, totaling \$5.7 million. He explained that additional incentives come from programs sponsored by Rhode Island Housing. In total, he stated, the State subsidy equates to approximately twelve percent of the total project costs, which is below the ordinary amount of incentives that could be awarded under the Rebuild program, which is generally twenty percent of project costs, but could, in some instances, increase to thirty percent of project costs.

Secretary Pryor indicated that the Corporation consulted with a third-party, real estate firm, Jones Lang LaSalle ("JLL"), to review the project, the proposed proforma, and High Rock's project assumptions, returns, and fees. JLL, he stated, found that High Rock's assumptions were reasonable and in accordance with the state of the market and its anticipated evolution.

Secretary Pryor explained that the Rebuild and First Wave financing will be in the form of a convertible note, a form of loan, pursuant to which the State may have an ability for partial repayment from operating cash flows or after a capital event. He noted that a favorable provision of the cash flow repayment is that it survives for twelve years, even if the project is sold.

Secretary Pryor reminded the Board that no payments of the incentives will be made unless the project obtains a certificate of occupancy; as a result, there is no risk prior to project completion.

Secretary Pryor thanked Jeff Miller, Hilary Fagan, Jesse Saglio, Hannah Moore, and Chris Fragomeni for their work on the project.

Secretary Pryor also noted some changes to the proposed deal during the negotiations with High Rock. For example, he stated, the State financing decreased from High Rock's original request of \$48 million to \$26 million, and High Rock's equity increased from its original proposal of \$13 million to \$32 million.

The Governor thanked Secretary Pryor and the Corporation's staff on their work on the project. Dr. Dann-Messier commended the inclusion of affordable housing in the project.

Secretary Pryor and Ms. Toledo-Vickers discussed High Rock's obligation to contract with a community partner for active outreach for the affordable housing units. Mr. McNally indicated that the project is a good deal for the State, and that the deal does a good job protecting taxpayer dollars.

In response to a question by Ms. Kaplan, Secretary Pryor stated that the State is in no way obligated for pay more if the project costs increase. Mr. McNally added that the risk is that if project costs increase, the project may stall. Mr. Nee asked about the project timeline, and the Governor stated that demolition will begin in about five months, and the project is anticipated to be completed in three years. The Governor and Secretary Pryor noted that the project will create 1500 prevailing-wage jobs. In response to questions by Mr. Chenevert, Secretary Pryor stated that the Rhode Island Foundation will offer a bridge loan to cover the four year period over which the Rebuild and First Wave incentives will be advanced.

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

VOTED: To enter into executive session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to consider proposed incentives to High Rock Westminster Street, LLC under the Rebuild Rhode Island Tax Credit Program and the First Wave Closing Fund and the investment of public funds.

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

Voting against the foregoing were: none.

The Board, counsel, and staff entered into executive session at 5:34 p.m.

The Board, counsel, and staff returned to public session at 5:39 p.m.

Attorney Fragomeni announced that the Board unanimously voted in executive session to seal the votes of executive session pursuant to R.I. Gen. Laws § 42-46-4(b) so as to not jeopardize any strategy or negotiation. He also indicated that the only other vote taken in executive session was to adjourn the executive session.

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

VOTED: To seal the minutes of the executive session.

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

Voting against the foregoing were: none.

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

VOTED: To approve High Rock Westminster Street, LLC for an award under the Rebuild Rhode Island Tax Credit Program and the First Wave Closing Fund pursuant to the resolutions submitted to the Board.

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

Voting against the foregoing were: none

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

4. **TO CONSIDER THE SELECTION OF AN AUDIT FIRM FOR THE CORPORATION.**

Justin Medeiros, the Corporation's Chief Financial Officer, explained that the Corporation's three-year engagement of Marcum, LLP ("Marcum") for audit services ended in fiscal year 2021. As a result, he stated, the Corporation issued a solicitation for a new auditor in consultation with the State's Auditor General. In addition to that solicitation, Mr. Medeiros stated that he reached out to thirty different audit firms to let them know of the solicitation. He stated that despite those efforts, only one firm, Marcum, responded to the solicitation. Mr. Medeiros recounted the three-year history with Marcum, noting that it has performed in a satisfactory and timely manner. The proposed engagement, he stated will be for three years, with the option of two one-year extensions. In response to a question by Mr. McNally, Mr. Medeiros stated that the contract price increased from \$72,500 to \$99,000.

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

VOTED: To approve the selection of an audit firm for the Corporation pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

5. **TO CONSIDER AN EXTENSION OF A CONTRACT WITH CONVENTION SPORTS & LEISURE INTERNATIONAL, LLC.**

Mr. Miller stated that Convention Sports & Leisure International, LLC ("CLS") is an internationally recognized leader in sports consulting. He explained that the Corporation

previously engaged CSL to consult on sports related redevelopments, and that their input will be invaluable when considering the Pawtucket soccer stadium development. As a result, he stated, the Board is asked to authorize the extension of CSL's contract for one year. In response to a question by Ms. Toledo-Vickers, Mr. Miller explained that the contract will have no cap, as previously authorized, as it is an hourly fee-based contract. In any event, he indicated that he estimated the costs to be between fifty and seventy thousand dollars.

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

VOTED: To approve an extension of a contract with Convention Sports & Leisure International, LLC pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

6. **TO CONSIDER APPROVAL OF APPLICANTS UNDER THE SITE READINESS PROGRAM.**

Mr. Miller stated that before the Board for approval were recipients of grants under the Corporation's Site Readiness program. He noted that this will be the third round of funding, totaling about \$1 million. He indicated that this round of funding was oversubscribed and that the selection committee carefully selected recipients and their award amounts. He stated that the staff is recommending that the Board approve sixteen awards, totaling about \$618,000, and authorize the staff to make an additional \$376,000 in awards pending additional due diligence. In response to a question by Mr. Nee, Mr. Miller stated that the increased interest in this round of funding was a result of good marketing effects and the success of the first two rounds of funding. Secretary Pryor also noted the increased interest for "shovel-ready" large parcels of land.

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

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

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Michael McNally, George Nee, Donna Sams, and Vanessa Toledo-Vickers.

Voting against the foregoing were: none.

Ms. Kaplan recused.

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

7. TO CONSIDER FOR APPROVAL INNOVATION VOUCHERS.

Ms. Fairchild stated that three companies were before the Board for approval of innovation vouchers, cumulatively totaling approximately \$150,000. She recounted that the program helps businesses that seek to prototype and scale their products by providing direct grant support. Those grants, she stated, can be up to \$50,000.

One proposed recipient, Nimbus Research Laboratory, LLC, proposed to use its \$49,000 grant to scale and produce a box for easy monitoring and access to emergency supports, like AED devices, tourniquets, and Narcan. She noted their initial purchases from large institutions, like Lifespan. She explained that Project Pasta, LLC, another recipient, will use its grant to conduct research and development on the production, on an industrial scale, of specialized pasta that is gluten free and non-standard. Lastly, Ms. Fairchild explained that Q2Behave, LLC will use its grant to partner with the University of Rhode Island to scale up behavioral interaction, wearable, cloud-based technology.

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

VOTED: To approve Innovation Vouchers pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

8. TO CONSIDER AN INCREASE IN FUNDING TO THE CONTRACT WITH HR&A ADVISORS, INC. FOR STATE BROADBAND PLANNING.

Ms. Fairchild explained that HR&A Advisors, Inc. ("HR&A") is currently on contract with the Corporation for long-term economic development strategy consultation. She explained that the staff is recommending that HR&A also be engaged to assist in the preparation of a proposal to the National Telecommunications and Information Administration's broadband equity access and deployment fund. HR&A, she stated, will also assist with the use of \$25 million in broadband capital projects budgeted for in fiscal year 2023.

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

VOTED: To approve an increase in funding to the contract with HR&A Advisors, Inc. for State broadband planning.

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

Voting against the foregoing were: none.

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

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:06 p.m. upon motion made by Ms. Sams and seconded by Dr. Dann-Messier.

MAY 11, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Rhode Island Commerce Corporation (“Corporation”) will be held on May 11, 2022 beginning at 5:00 p.m. at the offices of the Corporation, 315 Iron Horse Way, #101, Providence, RI 02908. The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To consider High Rock Westminster Street, LLC, for an award under the Rebuild Rhode Island Tax Credit Program and the First Wave Closing Fund (see Exhibit 1, which follows, for additional detail).*
3. To consider the selection of an audit firm for the Corporation.
4. To consider an extension of a contract with Convention Sports & Leisure International, LLC.
5. To consider approval of applicants under the Site Readiness Program.*
6. To consider for approval Innovation Vouchers (see Exhibit 1, which follows, for additional detail).*
7. To consider an increase in funding for the contract with HR&A Advisors, Inc. for State broadband planning.
8. 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 the investment of public funds in regards to this Agenda item.

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

Savage Law Partners, 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: May 9, 2022.

EXHIBIT 1

Agenda item 2:

The applicant seeks incentives under the Rebuild Rhode Island Tax Credit program and the First Wave Closing Fund in relation to a historic project located at 111 Westminster Street in Providence, also known as the "Superman Building." The estimated total project cost is anticipated to be \$223.1 million and will result in ±285 residential units, ±8,000 square feet of office space, and a mix of retail event and community uses in the ±26,000 square foot banking hall.

Agenda item 6:

<u>Applicant</u>	<u>Amount</u>
Nimbus Research Laboratory, LLC	\$49,485
Project Pasta, LLC	\$50,000
Q2Behave, LLC	\$50,000

MAY 11, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT B



Historic Rehabilitation of **111 Westminster Street** – The Superman Building

May 11, 2022

RHODE
ISLAND

READY TO SOAR AGAIN

Project will convert the 26-story, long-vacant tower to 285 residential apartments, in addition to a mix of commercial office, retail, event, and community space.

- \$223 million total project cost
- Completed building to include 285 residential units
- 20% of the units to be permanently deed restricted as affordable or workforce housing (for households making between 80% and 120% of Area Median Income, AMI)
- Project will also include approx. 8,000 square feet of commercial office space in the mezzanine level and the 26,000 square foot grand banking hall will be used for a mix of commercial, event, and community purposes.
- Additional benefits include the creation of good-paying construction jobs, utilization of MBE/WBE contractors, LEED certification for the building, and the revitalization of the downtown Providence neighborhood.



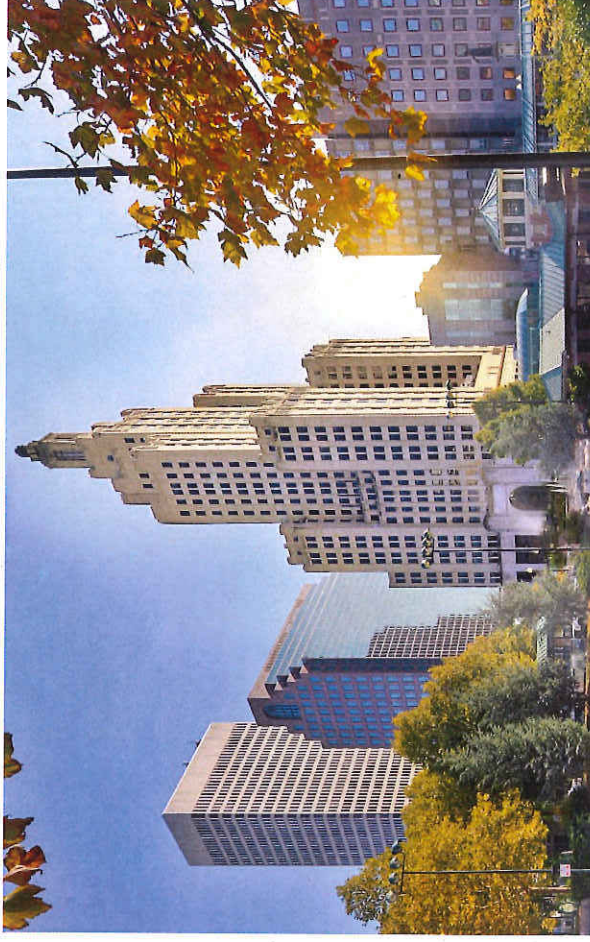
STATE FINANCING FRAMEWORK

State contribution comes entirely from existing housing and economic development incentive programs.

- \$15 million from the Rebuild Rhode Island Tax Credit program*
- \$5.7 million from the First Wave Closing Fund*
- \$4.5 million from the Workforce Housing Innovation Challenge
- \$1 million from the Acquisition and Revitalization Program

* To be voted on for approval today

- Additional financing for the project comes from a mix of private, federal, municipal, and philanthropic sources



MAY 11, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

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

May 11, 2022

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");

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

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

WHEREAS: The Corporation received an application from High Rock Westminster Street, LLC (the "Recipient") under the Rebuild RI Tax Credit Act in relation to a Mixed-Use Project (the "Project") located at 111 Westminster Street, Providence, RI, which is proposed to consist of approximately 285 residential units and an estimated 8000 square feet of office space;

WHEREAS: The Corporation's Investment Committee and Access to Capital Subcommittee have reviewed and considered a proposed loan to the Recipient and each has voted to recommend to the Board of Directors (the "Board") of the Corporation the approval of the incentive;

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves a loan (the "Loan") and incentives under the Rebuild RI Tax Credit Act to the Recipient in an amount not to exceed Fifteen Million Dollars (\$15,000,000).

2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act, which agreement shall expressly provide that the Loan will not be a general obligation of the Corporation and shall otherwise be in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Authorized Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of Certification to the Recipient;
 - c. Such additional terms and conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of R.I. Gen. Laws § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild RI Tax Credit Act and the Rules; (e) the total amount of the Loan is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); (i) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Mixed-Use Project; and (j) the award of the Loan meets the principles adopted by the Board in compliance with R.I. Gen. Laws § 42-64-37.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of loan will or may have on the State considering the factors set forth in R.I. Gen. Laws § 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