

RHODE ISLAND COMMERCE CORPORATION

AGENDA

July 25, 2022

Call to order and opening remarks.

- Tab 1: To consider for approval meeting minutes.
- Tab 2: To consider a proposed project by Fortuitous Tidewater OZ, LLC.*
- Tab 3: To consider for approval amendments to the Corporation's retirement and savings plan.
- Tab 4: To consider the retention of a consultant for on-call financial advisory services.
- Tab 5: To consider appointments to the Air Service Development Council.
- Tab 6: To consider amendments to the rules and regulations for the Main Street Rhode Island Streetscape Improvement Fund.*
- Tab 7: 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

JULY 25, 2022

APPROVED

VOTED: To approve the public session meeting minutes for the June 27, 2022 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
June 27, 2022

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on June 27, 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, Elizabeth Catucci, Mary Jo Kaplan, 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 Elizabeth Tanner; 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, indicating that a quorum was present. He thanked Dan Sullivan and the Collette team for hosting the Board meeting at Collette's offices. He also welcomed Elizabeth Tanner, the newly appointed Secretary of Commerce, and Ms. Catucci, the newest member of the Board.

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

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

VOTED: To approve the public session meeting minutes for the meeting held on June 1, 2022.

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

Voting against the foregoing were: none.

3. **TO CONSIDER FOR APPROVAL INNOVATION VOUCHERS.**

Kaleena Harrington, the Corporation's Innovation Program Manager, explained that three proposed awards under the Innovation Voucher program were before the Board for approval. The program, she explained, pairs Rhode Island businesses with knowledge providers—including

colleges and universities—to incentivize innovation. Ms. Harrington reviewed the companies that were requesting Innovation Vouchers. She stated that BluDAE Global Sustainability, Inc. (“BluDAE”) has requested a \$49,000 Innovation Voucher to test, demonstrate, and improve its production of “green” concrete, which is made with recycled plastics. She noted that BluDAE will work with the University of Rhode Island to simulate the environmental conditions in which the concrete will be used to test its durability.

Ms. Harrington explained that Jonathan, Richard, & Fitzgerald, Ltd. (“JRF”) is an audio and video manufacturer that created the gifograph, which allows anyone to become an animator. JRF, she stated, has requested a \$50,000 Innovation Voucher to engage Motim Technologies to finalize a prototype that can be automated and scaled.

Ms. Harrington stated that US Extruders, Inc. (“US Extruders”) is a Westerly-based company that recycles fishing nets and converts them into plastic pellets. The Innovation Voucher, she explained, will help US Extruders with in-house research and staffing to perfect the pellet-making process before bringing the pellets to market.

In response to a question by Mr. Wadensten, Ms. Harrington stated that BluDAE has three employees, JRF has two employees, and US Extruders has about thirty employees. The founder of BluDAE and Mr. Wadensten discussed the creation of the company and its products. In response to a question by Mr. Stone, a representative from JRF noted that the company has a contract with the City of Pawtucket for school use of the gifograph. He also, in response to a question by Ms. Kaplan, stated that the company has worked with professors from the Rhode Island School of Design. A representative from US Extruder answered a question from Mr. Wadensten, stating that many fish nets are sent to landfills or left in the ocean and that US Extruders is attempting to make fishing net disposal sustainable.

Upon motion duly made by Ms. Kaplan and seconded by Ms. 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, Elizabeth Catucci, Mary Jo Kaplan, 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**.

* Mr. Chenevert recused as to U.S. Extruders.

4. **TO CONSIDER AN AMENDMENT TO THE AWARD UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM FOR ELECTRIC BOAT CORPORATION.**

Jeff Miller, the Corporation's Executive Vice President of Investments, recounted that the Board, in 2018, approved Electric Boat Corporation ("EB") for \$2 million in tax credits and up to \$18 million in a sales and use tax rebate under the Rebuild Rhode Island Tax Credit Program. That award, he explained, was made in connection with EB's submarine program expansion, which was estimated to be approximately \$790 million. He indicated that the award was made subject to certain hiring commitments from EB.

Mr. Miller stated that the Corporation, in February 2021, received a letter from EB, which indicated that EB had missed its 2020 hiring commitments by three hundred seven employees due to the COVID-19 pandemic. EB, he stated, has requested that it be relieved from its 2020 commitments, and, in exchange, EB will commit to accelerate its hiring over the next three years. Mr. Miller noted that EB is already ahead of its revised hiring commitments.

In response to a question from Mr. Wadensten, Mr. Miller stated that the Board has previously allowed relief from some hiring commitment reductions in 2020 as a result of the COVID-19 pandemic. Mr. McNally explained that EB has created about eight hundred new jobs.

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

VOTED: To authorize the President & COO of the Corporation to enter into an amended agreement with Electric Boat consistent with the recommendations of staff pertaining to revised employment commitments.

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

Voting against the foregoing were: none.

5. **TO CONSIDER AN AMENDMENT TO THE AWARD UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM FOR 390 PINE STREET, LLC.**

Mr. Miller explained that 390 Pine Street, LLC ("390 Pine") is a mixed-use project in Pawtucket near the Transit-Oriented Development district. The project, he stated, includes a yoga studio, ancillary commercial space, and eight residential units, five of which are affordable housing. He noted that the project was initially approved for \$600,000 of tax credits under the Rebuild Rhode Island Tax Credit Program; however, the project has experienced cost overruns, and 390 Pine is requesting additional funding of approximately \$233,000. He explained that the Investment Committee had discussions on how some returns could offset expenses.

Mr. McNally recounted that the “streamline” deals have no “waterfall” feature, meaning that the Corporation cannot be repaid its incentives. He agreed that the construction costs have increased, but noted that there was no corresponding increase for revenues, such as increased rent. Therefore, he explained, the staff is going to request information on the updated revenue numbers, and the Investment Committee recommends that the project be conditionally approved as long as the returns are equal to or less than the returns on 390 Pine’s original approval.

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

VOTED: To approve an amendment to the award under the Rebuild Rhode Island Tax Credit Program for 390 Pine Street, LLC pursuant to the resolutions submitted to the Board; provided, however, that the returns for 390 Pine shall be no more than originally approved by the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Elizabeth Catucci, Mary Jo Kaplan, 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**.

The Governor welcomed Elizabeth Tanner, the newly-appointed Secretary of Commerce. Ms. Tanner introduced herself to the Board.

There being no further business in public session, the meeting was adjourned by unanimous consent at 5:39 upon motion by Ms. Dann-Messier and seconded by Mr. Chenevert.

JUNE 27, 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 **June 27, 2022** beginning at **5:00 p.m.** at the offices of Collette Travel, 180 Middle Street, Pawtucket, RI 02860. The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To for approval Innovation Vouchers (see Exhibit 1, which follows, for additional detail).*
3. To consider an amendment to the award under the Rebuild Rhode Island Tax Credit program for Electric Boat Corporation (see Exhibit 1, which follows, for additional detail).*
4. To consider an amendment to the award under the Rebuild Rhode Island Tax Credit program for 390 Pine Street, LLC (see Exhibit 1, which follows, for additional detail).*
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 the investment of public funds in regards to this Agenda item.

This notice shall be posted at the office of the Corporation, at the State House, 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: June 23, 2022.

EXHIBIT 1

Agenda item 2:

<u>Company</u>	<u>Award</u>
US Extruders, Inc.	\$43,655
Jonathan, Richard, & Fitzgerald, LLC	\$50,000
BluDAE Global Sustainability, Inc.	\$49,952

Agenda item 3:

The applicant seeks to amend the timing of certain employment commitments in relation to the award of incentives under the Rebuild Rhode Island Tax Credit program with respect to its ongoing project at its Quonset Point facility.

Agenda item 4:

The applicant seeks additional incentives under the Rebuild Rhode Island Tax Credit program in relation to a mixed-use complex which is expected to include eight apartments and approximately 5,750 square feet of commercial space.

JUNE 27, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

June 27, 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”); 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 each company identified on Exhibit 1 annexed hereto (the “Recipients”) for awards 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 Voucher to the Recipients 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 each Recipient in the amounts set forth 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 the Recipients 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 Recipients 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.

EXHIBIT 1

<u>Applicant</u>	<u>Amount</u>
US Extruders, Inc.	\$43,655
Jonathan, Richard, & Fitzgerald, LLC	\$50,000
BluDAE Global Sustainability, Inc.	\$49,952

JUNE 27, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE AMENDMENT TO AN AWARD OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT
June 27, 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 (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 390 Pine LLC (the "Recipient") under the Rebuild RI Tax Credit Act in relation to a project (the "Project") located at 390 Pine Street, Pawtucket, RI and previously approved the Recipient for an award of incentives in the amount of \$600,000; and
- WHEREAS:** The Corporation's Investment Committee has reviewed and considered the proposed amendment sought by the Recipient and has voted to recommend to the Board of Directors (the "Board") of the Corporation the approval of the amendment; and
- WHEREAS:** The staff has recommended that the Board exempt the Recipient from the application of 870-RICR-30-00-3.12 insofar as the applicant has been approved for an award and the CEO of the Corporation/Secretary of Commerce previously submitted the requisite recommendations to the Board under such Part; and
- WHEREAS:** The Board of the Corporation received a presentation inclusive of a term sheet detailing the amended request 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 and a sales and use tax exemption in the aggregate amount of \$833,333 to the Recipient.
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 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 Recipient's application is exempt from both the application requirements of the Rules consistent with RIGL § 42-64.20-5(c) and such eligibility requirements of the Rules that are inconsistent with the RIGL §42-64.20-5(e); (ii) approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (iii) to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iv) 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; (v) 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; (vi) 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; (vii) that the Chief Executive Officer of the Corporation has previously provided written confirmation required by the Rebuild RI Tax Credit Act and the Board has provided an exemption from 870-RICR-30-00-3.12 in relation to this amendment to the original award to allow for written confirmation from the President & COO, which is annexed hereto as Exhibit 1; (viii)

the Secretary of Commerce has previously provided written confirmation required by the Rebuild RI Tax Credit Act and the Board has provided an exemption from 870-RICR-30-00-3.12 in relation to this amendment to the original award to allow for written confirmation from the President & COO, which is annexed hereto as Exhibit 1; (ix) 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 (x) the Recipient has demonstrated that it will otherwise satisfy any other applicable Eligibility Requirements of 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 tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby

authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.

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

EXHIBIT 1

From: Hilary Fagan, 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 27, 2022

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

- To consider an amendment to the award of tax credits for 390 Pine Street, LLC for tax credits in the aggregate amount of \$833,333.

This memo serves as the written confirmation, pursuant to 870-RICR-30-00-3.12, of the following:

1. The Corporation staff has reviewed the request for an amendment to the previous award of tax credits 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

EXHIBIT 3

Streamlined Rebuild Rhode Island Tax Credits

Economic and tax revenue impacts of development of 390 Pine Street, Pawtucket

Impact of construction

After excluding certain expenditures (such as property acquisition costs) that do not directly affect Rhode Island's economy, Appleseed estimates that (as shown in Table 1) spending approximately \$3.817 million on redevelopment of 390 Pine Street will directly and indirectly support:

- 32 person-years of work in Rhode Island;
- \$2.08 million in earnings (in 2022 dollars);
- Nearly \$4.95 million in statewide economic output; and
- A one-time increase of \$2.67 million in Rhode Island's GDP.

Table 1: Direct, indirect and total impact of construction (income, value-added and output in millions of 2022 dollars)

	Jobs	Earnings	Value added	Output
Direct	26	\$1.72	\$2.06	\$3.82
Indirect	6	0.36	0.61	1.13
Total	32	\$2.08	\$2.67	\$4.95

Construction spending would directly and indirectly generate approximately \$55,700 in state tax revenue, including:

- \$32,400 in state personal income taxes paid by workers directly employed on the project, or by Rhode Island workers whose jobs are indirectly attributable to the project;
- \$19,200 in state sales taxes paid on those workers' taxable household spending; and
- \$4,100 in state business taxes.

Impact of operations

Based on information provided by the Sponsor, Appleseed estimates that ongoing operations¹ at 390 Pine Street will (as shown in Table 2) will directly and indirectly support:

¹ In addition to 8 residential units, the redeveloped 390 Pine Street will include 5,750 square feet of commercial space, with some occupied by Shri and some by two commercial tenants. For purposes of this analysis, we treat Shri's operations at 390 Pine Street as having relocated from elsewhere in Rhode Island, but treat the commercial tenants (as well as spending on building operations and maintenance) as being "net new" to the state.

- 11 jobs in Rhode Island;
- \$407,000 in earnings (in 2023 dollars);
- \$1.246 million in statewide economic output; and
- An increase of \$606,000 in Rhode Island's annual GDP.

Table 2: Direct, indirect and total impact of ongoing operations (income, value-added and output in millions of 2023 dollars)

	Jobs	Earnings	Value added	Output
Direct	9	\$0.289	\$0.404	\$0.866
Indirect	2	\$0.118	\$0.202	\$0.381
Total	11	\$0.407	\$0.606	\$1.246

Ongoing operations would directly and indirectly generate approximately \$42,600 annually in state tax revenue, including:

- \$8,300 in state personal income taxes paid by workers directly employed in management and maintenance of the property, or by Rhode Island workers whose jobs are indirectly attributable to those operations;
- \$28,000 in state sales taxes paid on on-site sales of food and beverages;
- \$5,300 in state sales taxes paid on those workers' taxable household spending; and
- \$1,000 in state business taxes.

During the construction period and the twelve-year period following construction, the proposed project would generate approximately \$566,900 in state tax revenues.

Tab 2

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

July 25, 2022

APPROVED

VOTED: To approve a proposed project by Fortuitous Tidewater OZ, LLC pursuant to the resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING AN AWARD UNDER THE
CITY OF PAWTUCKET DOWNTOWN REDEVELOPMENT ACT
July 25, 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 (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and
- WHEREAS:** Chapter 33.4 of Title 45 of the General Laws of Rhode Island, as amended (the “Pawtucket Downtown Redevelopment Act”) authorizes the State, the City of Pawtucket (the “City”) and the Pawtucket Redevelopment Agency (the “Agency”) to enter into an “Economic Activity Taxes Agreement”, as defined in the Downtown Pawtucket Redevelopment Act, and for the Corporation to designate a portion of “Baseline Revenues” as “State Economic Activity Taxes” for, among other purposes, financing qualifying projects in the City; and
- WHEREAS:** The Corporation promulgated rules and regulations (the “Rules”) governing the program established by the Pawtucket Downtown Redevelopment Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and
- WHEREAS:** On or about February 1, 2021, the Corporation received an application for an award under the Rules from Fortuitous Tidewater OZ, LLC (the “Developer”) and the Agency in relation to a multi-building, mixed-used project including a soccer stadium (the “Original Project”) located on land on both banks of the Seekonk River in Pawtucket, RI; and
- WHEREAS:** On February 5, 2021, the Board of the Corporation (the “Board”) approved the Original Project for an award under the Pawtucket Downtown Redevelopment Act and the Rules to pay a portion of the principal and interest on bonds issued by the Agency in annual installments that was expected to provide proceeds, net of capitalized interest, debt service coverage and reserves, and costs of issuance in an expected aggregate amount of Baseline Revenue of \$36,242,350 (the “Original Award”); and
- WHEREAS:** Subsequent to the Original Award, the Developer completed permitting in relation to the stadium element and certain infrastructure components of the Original Project as well as pricing and value engineering related to construction of such improvements, resulting in a determination that due to recent economic factors the anticipated cost of the stadium element and related infrastructure components had

increased from an estimated \$80 million in June, 2021 to an estimated \$124 million as of March, 2022; and

WHEREAS: As a result of the increased costs, on or about May 31, 2022, the Developer and the Agency submitted an amended application (the “Amended Application”) for the Original Project seeking an additional award under the Pawtucket Downtown Redevelopment Act and the Rules for the purpose of completing the stadium element and related infrastructure components; and

WHEREAS: The Investment Committee of the Board reviewed and discussed material elements of the Amended Application on May 31, 2022, and the Board has undertaken review and discussion of material elements of the Amended Application at meetings held on June 1st, 6th, 14th and 27th of 2022; and

WHEREAS: The Developer and the Agency have reevaluated certain aspects of the Original Project, however, due to time constraints associated with ensuring the completion and operation of the stadium for the 2024 soccer season these applicants are currently unable to provide complete and updated project features and cost elements for the non-stadium elements of the proposed improvements of the Amended Application; and

WHEREAS: The Developer and the Agency have requested that the Board of the Corporation consider just the stadium and related infrastructure components as well as preconstruction public infrastructure elements as a stand-alone project (the “Stadium Project”) and shift all prior commitments of Baseline Revenue from the approval made in February, 2021 to the current request for Baseline Revenue in an amount sufficient to provide financing generating of net bond proceeds of \$27,000,000 (the “Award”); and

WHEREAS: The Corporation and its consultant, Convention Sports and Leisure International, LLC, have analyzed the projections and related financial information provided by the Developer and determined that a financing gap in the amount of \$47,000,000 currently exists to complete the Stadium Project, and that said gap can be filled by the following sources:

- a. The Award providing for net bond proceeds of \$27,000,000;
- b. \$10,000,000 of net proceeds realized from the previously-authorized Rebuild Rhode Island Tax Credit award; and
- c. \$10,000,000 net proceeds from the City; and

WHEREAS: On July 25, 2022, the Board received a presentation detailing the Stadium Project and proposed Award together with a recommendation from the staff of the Corporation for approval of the Award in accordance with the Rules and Pawtucket Downtown Redevelopment Act.

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

RESOLVED:

1. The resolution adopted by the Board on February 5, 2021 (the "Original Resolution") approving incentives under the Pawtucket Downtown Redevelopment Act for the Original Project, providing for the Original Award, is hereby amended and restated in its entirety by the adoption of this Resolution, and the Original Resolution shall be of no further force and effect from the date hereof.
2. To accomplish the purposes of the Act and the Pawtucket Downtown Redevelopment Act, the Corporation approves the issuance of the Award to the Agency and the Developer to pay the principal and interest on bonds issued by the Agency in annual installments that will provide proceeds, net of original issue premium, capitalized interest, debt service coverage and reserves, and costs of issuance in an aggregate amount not to exceed \$27,000,000 for the development of the Stadium Project.
3. The term of the Award shall not exceed thirty (30) years from the date the Agency Bonds are issued.
4. The authorization provided herein is further subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Developer or, as deemed necessary or appropriate by one of the Authorized Officers (hereinafter defined), among the Corporation, the Developer and affiliated or associated entities of the Developer, meeting the requirements of the Rules in such form as one of the Authorized Officers shall deem appropriate in the sole discretion of such Officer;
 - b. Contractual requirements binding the Agency, the Developer and/or such others as an Authorized Officer deems appropriate, in his or her discretion, as to the following conditions:
 - i. Requiring the annual payments received from the State on account of the Award to be held in an escrow or trust account until the Corporation certifies in writing to the Agency that the Stadium Project has received an unconditional, permanent certificate of occupancy issued by the City of Pawtucket, and is capable of opening and operating for public events including, but not limited to, regularly hosting soccer games for a USL Championship Division soccer team (or a professional soccer team competing in a US Soccer Federation-sanctioned league (or its successor) of no lower than the second tier of professional soccer in the United States),

- provided, however, an Authorized Officer may permit such certification to be issued by an independent consultant acceptable to the Corporation;
- ii. That further cost escalations in relation to the stadium and related infrastructure components of the Stadium Project shall be the responsibility of the Developer, and the Developer and/or Agency will not make a request to or receive from any State agency additional incentives, subsidies and/or tax credits with respect thereto;
 - iii. The Developer has committed that a USL Championship Division soccer team (or a professional soccer team competing in a US Soccer Federation-sanctioned league (or its successors) of no lower than the second tier of professional soccer in the United States) shall utilize the Stadium as its primary playing venue for the next 30 years. To the extent the Developer or its successor fails to meet this commitment, the Developer and/or its affiliates (not including the Agency or the City) shall repay the State, Developer-funds in an amount equal to a prorated portion of the Award based upon the number of years remaining in such 30-year commitment. Any such repayment shall be subordinate to any payment obligations the Developer and/or its affiliates may have to the City or the Agency with respect to obligations incurred by the City or the Agency to finance the Stadium Project or related projects, acceptable to an Authorized Officer. Requiring benchmarks or milestones with respect to the development of the balance of the land upon which the Original Project was proposed that provide the Corporation with remedies, including repayment or liquidated damages from the Developer and/or its affiliates (not including the Agency or the City) for failure of the Developer to timely meet such benchmarks or milestones;
 - iv. Requiring any net proceeds of a debt refinancing by the Developer and/or its affiliates pertaining to the stadium element of the Stadium Project not be used for distribution (1) to general or limited equity partners, or (2) to any other equity holders in an amount in excess of a to be negotiated percentage of the aggregate amount of equity contributed by all equity holders as of the date of the issuance of the permanent certificate of occupancy; but rather used for stadium expansion, upgrades, or repayment of non-Developer affiliated indebtedness incurred for working capital and/or other limited purposes acceptable to the Corporation. This limitation is to apply for a period of ten years from the date of approval of the permanent certificate of occupancy for the stadium; and
 - v. Requiring a capital event repayment structure to the Corporation from the Developer and/or its affiliates based upon modeling showing a potential for the return of the state subsidy, consistent with other precedents of the Corporation.
- c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer; and

- d. Appropriation by the General Assembly of amounts sufficient to pay the Award in accordance with the terms of the Pawtucket Downtown Redevelopment Act.
5. 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 adequate provision has been made or will be made for the payment of the cost of the acquisition, construction, operation, and maintenance and upkeep of the project; (iii) that, with respect to real property, the plans and specifications assure adequate light, air, sanitation, and fire protection; (iv) that the project is in conformity with the applicable provisions of chapter 23 of title 46; (v) that the project is in conformity with the applicable provisions of the state guide plan; (vi) that a defined amount of Baseline Revenues from the arts district, ballpark district and growth center district (as such districts are defined in the Pawtucket Downtown Redevelopment Act) assessed and collected under chapters 18, 19, and 30 of title 44 of the general laws equal to the Award are necessary to finance or complete the Project; (vii) that the chief executive officer or equivalent officer of the Developer has provided an attestation under oath as required under R.I. Gen. Laws 45-33.4-1(13)(ii); and (viii) that the Chief Executive Officer of the Corporation has provided written confirmation that one or more of the eligibility criteria required by the Pawtucket Downtown Redevelopment Act has been satisfied (a copy of which is annexed hereto as **Exhibit 1**).
6. Prior to the execution of an Incentive Agreement with the Developer, 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 R.I. Gen. Law § 42-64-10(a)(2), (a copy of which is annexed hereto as **Exhibit 2**).
7. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the CEO, the President & COO, the Chief Financial Officer, the Treasurer and the SVP 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 the State Economic Activity Taxes Agreement, the Incentive Agreement or any other 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 by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, 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.

8. All covenants, stipulations, and obligations and agreements of the Corporation contained in any documents executed by an Authorized Officer as 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 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.
9. 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.
10. 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.
11. No costs or expenses whether incurred by the Corporation or any other party in connection with the Award or the preparation or review of any documents by any legal or other consultants retained in connection herewith shall be borne by the Corporation except as permitted by an Authorized Officer. The Corporation may require such deposits or advances as it deems desirable for such fees, costs and expenses, and may require reimbursement of any such fees, costs and expenses paid by the Corporation or payment thereof prior to the execution of any documents permitted hereunder. The Corporation shall have the right to select and retain legal, financial and other consultants in connection with the Award, and all fees, costs and expenses of such consultants and professionals, along with all other such costs and expenses, shall be borne by the Developer and/or the Agency.
12. This resolution shall take effect immediately upon adoption by the Board.
13. This Resolution shall automatically expire and be of no further force and effect if the Corporation has not entered into an Incentive Agreement with the Developer within 180 days of the adoption hereof.

EXHIBIT 1

From: Elizabeth Tanner, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: City of Pawtucket Downtown Redevelopment Act Application
Date: July 25, 2022

The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve the Project (as such term is defined in the proposed Resolution provided to the Board of Directors to which this memorandum is attached) as proposed by the Pawtucket Redevelopment Agency and Fortuitous Tidewater OZ, LLC for an award pursuant to the Downtown Pawtucket Redevelopment Act and consistent with the materials to be presented to the Board at its meeting on July 25, 2022. This memo serves as the written confirmation, pursuant to 870-RICR-30-00-9.10(A)(2), of the following:

1. The Corporation's staff has reviewed the application submitted, the impact analysis for this project, and the amended award requested by the applicant, and has determined that the Project meets the eligibility criteria set forth in R.I. General Laws 45-33.4-1(13) in that staff has concluded that a defined amount of revenues from the districts assessed and collected under chapters 18, 19, and 30 of title 44 are necessary to finance or complete a given project.
2. Based upon the foregoing determination by staff it is hereby confirmed that the Project satisfies the identified eligibility criteria under R.I. General Laws 45-33.4-1(13).

EXHIBIT 2



Rhode Island Commerce Corporation
Phase 1A – Pawtucket Riverfront Redevelopment Project
Net New Economic and Fiscal Impact Analysis
July 19, 2022

Introduction

Fortuitous Partners (“Fortuitous”) submitted a proposal to the Rhode Island Commerce Corporation (the “Corporation”) and the City of Pawtucket (the “City”) in April 2019 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 anchored by a United Soccer League Championship (“USLC”) stadium.

The original plan has undergone several revisions over the past three years as a result of delays due to the COVID-19 pandemic, cost escalations in the construction market, further planning by project stakeholders and other factors.

Based on the most recent Tidewater Landing application submittal to Commerce RI on May 23, 2022, the project would be developed across two phases and include:

Phase 1A:

- 10,000-seat USLC stadium (*Tidewater site – 2024 completion*)
- 85 parking spaces (*Tidewater site – 2024 completion*)

Phase 1B:

- 435 residential units:
 - 200 units (*Division Street site – 2025 completion*)
 - 235 units (*Tidewater site – 2026 completion*)
- 56,750 square feet of retail/restaurant space:
 - 16,750 square foot mixed-use retail - (*Division Street site – 2025 completion*)
 - 15,000 square foot food hall - (*Division Street site – 2025 completion*)
 - 10,000 square foot retail gaming center - (*Division Street site – 2025 completion*)
 - 15,000 square foot restaurant/brewery - (*Tidewater site – 2026 completion*)
- 60,000 square feet of office space (*Division Street site – 2025 completion*)
- 1,120 parking spaces:
 - 220-space surface lot (*Division Street site – 2024 completion*)
 - 150-space parking garage (*Division Street site – 2025 completion*)
 - 750-space parking garage (*Tidewater site – 2026 completion*)
- Infrastructure and public space improvements including pedestrian bridge, Riverwalk, roadway and streetscape improvements (*2026 completion*)

The purpose of this memorandum is to summarize the anticipated economic and fiscal impacts that could be generated to the State of Rhode Island from Phase 1A development to assist State representatives with decision-making regarding public contributions to the project.

CSL developed estimates of the net new economic and fiscal benefits expected to be generated to the State of Rhode Island based on information from Fortuitous, MuniCap, Inc., industry data, the use of IMPLAN multipliers and CSL's experience in quantifying the economic and fiscal impacts of similar projects. Future phases including Phase 1B outlined herein as well as a potential indoor events center and hotel are not included in the analysis herein.

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.*

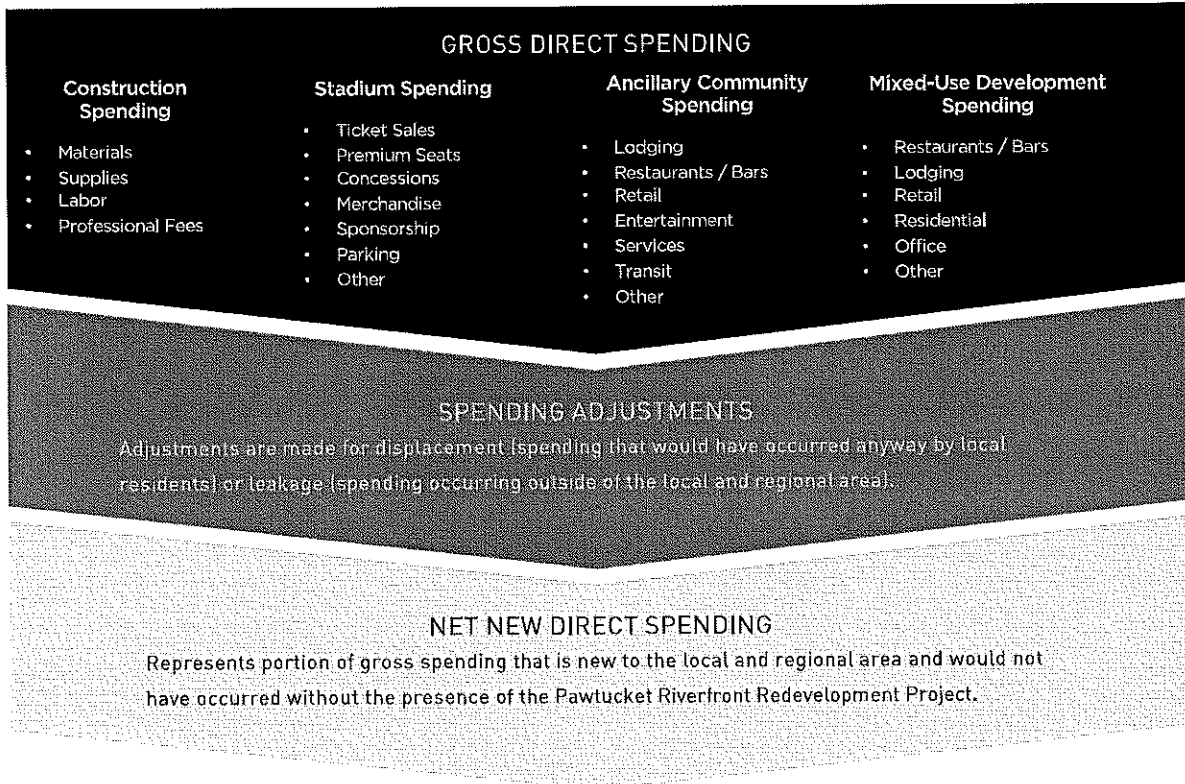
PERSONAL EARNINGS represent the wages and salaries earned by employees of businesses impacted by the operations of the Pawtucket Riverfront Redevelopment Project.

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.

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.

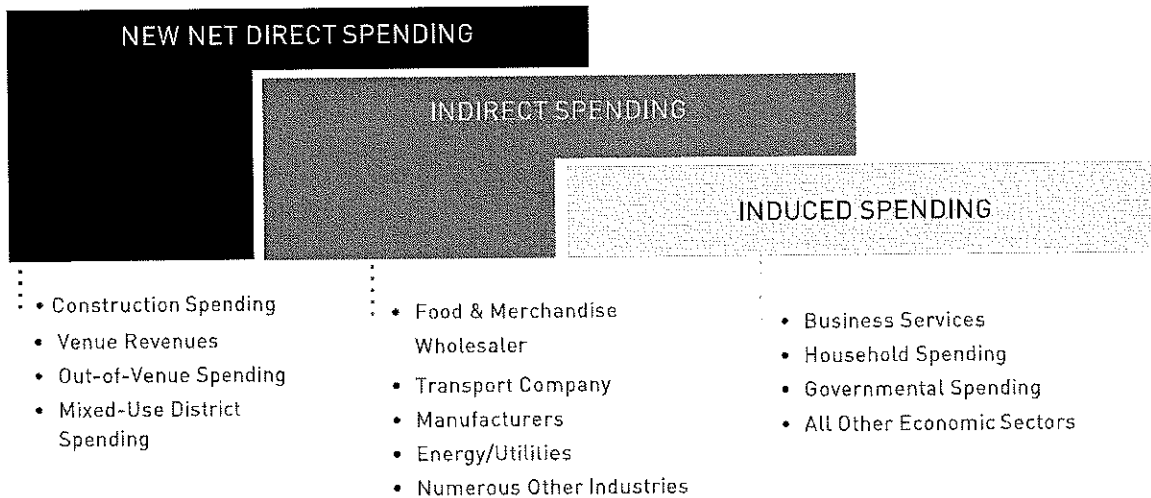
Additionally, not all spending associated with the proposed development would take place in the local economy. A portion of this spending is likely to occur outside the immediate area. This is called **leakage** and similarly reduces the overall impact. The economic impacts presented herein are derived 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 State tax revenue focused on in this analysis include:

- 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 \$124 million for Phase 1A (expected to be completed by 2024).
- The new USLC stadium will host 24 events in Year 1 and increasing to 29 events by Year 5 (stabilized operations) with paid attendance of approximately 197,105 in Year 1, increasing to 243,064 by Year 5 (stabilized operations) per projections provided by Fortuitous.
- 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 (2024 dollars):
 - In-State Day Trippers: \$10.00
 - Out-of-State Day Trippers: \$14.0
 - Out-of-State Overnighters: \$213.50
- 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).

One-Time Construction Impacts

As shown in Table 1, total Phase 1A project costs are estimated to be approximately \$124 million.

TABLE 1	
Phase 1A Estimated Project Costs	
Hard Costs	\$107.5 M
Soft Costs	\$16.5 M
TOTAL PROJECT COSTS	\$124.0 M
Source: Tidewater Landing Application to Commerce RI, May 23, 2022 (via Dimeo Construction).	

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 include:

- \$71.3 million in direct spending in the State;
- \$117.5 million in total output (direct, indirect and induced spending); and,
- 786 full and part-time jobs and that create approximately \$48.3 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	
Phase 1A Net New Construction Impacts	
State of Rhode Island	
SPENDING	
Direct	\$71.3 M
Indirect & Induced	\$46.2 M
TOTAL SPENDING	\$117.5 M
JOBS	
Direct	474
Indirect & Induced	311
TOTAL JOBS	786
PERSONAL EARNING	
Direct	\$31.5 M
Indirect & Induced	\$16.8 M
TOTAL EARNINGS	\$48.3 M
<small>Note: Jobs represent the average annual full-time equivalent jobs (FTE's), including both full and part-time jobs.</small>	

The activity reflected in Table 2 is estimated to occur from 2022 through 2024.

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 May 2020, the latest information published at the time of this report.

TABLE 3	
Anticipated Wages During Construction	
Occupation	Rhode Island Median Hourly Wage
Architect	\$41.20
Construction manager	\$52.49
Carpenter	\$23.59
Electrician	\$27.54
Plumber	\$27.39
Painter	\$19.03
Laborer	\$26.49
Source: RI Department of Labor and Training, Occupational Employment Statistics, May 2020.	

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

Phase 1A facilities are anticipated to begin operating in 2024, reaching a stabilized year of operations by Year 4 (2027).

As outlined in the key assumptions, 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. 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.

The following table summarizes the anticipated net present value over a 30-year period (2024 to 2053) of the net new annual spending and resulting impacts of the State of Rhode Island that are estimated to be generated from the ongoing operations of Phase 1A of the Pawtucket Riverfront Redevelopment. These impacts include both spending within the District and as well as outside the District but within the State.

TABLE 4			
Phase 1A Net New Economic Impacts from Operations			
Annualized and 30-Year Impacts (2024 to 2053)			
State of Rhode Island			
	In-District	Out-of-District	Total
SPENDING			
Direct Average Annual Spending	\$11.5M	\$4.7M	\$16.3M
Indirect & Induced Average Annual Spending	\$9.8M	\$3.9M	\$13.8M
TOTAL AVERAGE ANNUAL OUTPUT	\$21.4M	\$8.7M	\$30.0M
30-YEAR CUMULATIVE OUTPUT	\$641.3M	\$260.2M	\$901.5M
30-YEAR NPV OUTPUT	\$295.6M	\$123.1M	\$418.7M
JOBS			
Direct Jobs - FTEs	97	65	162
Indirect & Induced Jobs - FTEs	52	19	71
TOTAL JOBS - FTEs	149	84	233
PERSONAL EARNINGS			
Direct Average Annual Earnings	\$6.9M	\$2.5M	\$9.4M
Indirect & Induced Average Annual Earnings	\$3.8M	\$1.4M	\$5.1M
TOTAL AVERAGE ANNUAL EARNINGS	\$10.7M	\$3.9M	\$14.6M
30-YEAR CUMULATIVE EARNINGS	\$320.3M	\$117.2M	\$437.6M
30-YEAR NPV EARNINGS	\$148.7M	\$55.5M	\$204.1M
<small>Note: NPV discount rate equals 5%; Jobs represent the average annual full-time equivalent jobs (FTE's), including both full and part-time jobs.</small>			

Table 4 summarizes the net new economic impact to the State from annually recurring operations spending estimated to occur over 30 years and presented in average annualized dollars as well as total cumulative and total net present value. The 30-year impacts include:

- \$901.5 million in total cumulative output (direct, indirect and induced spending) or \$418.7 million on a net present value basis;
- 233 full and part-time jobs (FTEs); and,
- \$437.6 million in total cumulative personal earnings or \$204.1 million on a net present value basis;

Schedules A through C in the appendix summarize the economic estimates impacts year-by-year for Phase 1A.

Impact on State Tax Revenues

The proposed project would generate new 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 tax revenue impacts estimated to be generate to the State during construction and over 20-years of operations presented on a net present value basis.

TABLE 5			
Phase 1A Net New Fiscal Impacts from Annually Recurring Operations			
Annualized and 30-Year Impacts (2024 to 2053)			
State of Rhode Island			
	<u>Direct</u>	<u>Indirect & Induced</u>	<u>TOTAL</u>
CONSTRUCTION TAX REVENUES			
Sales Tax	\$ 2.44M	\$ 1.08M	\$ 3.52M
Corporate Income Tax	\$ 0.65M	\$ 0.00M	\$ 0.65M
Personal Income Tax	\$ 1.16M	\$ 0.45M	\$ 1.61M
TOTAL CONSTRUCTION	\$ 4.25M	\$ 1.53M	\$ 5.78M
IN-DISTRICT AVERAGE ANNUAL OPERATIONS TAX REVENUES			
Sales Tax	\$0.19M	\$0.14M	\$0.33M
Hotel Tax	\$0.00M	\$0.00M	\$0.00M
Food & Beverage Tax	\$0.02M	\$0.00M	\$0.02M
Corporate Income Tax	\$0.01M	\$0.00M	\$0.01M
Personal Income Tax	\$0.28M	\$0.06M	\$0.33M
TOTAL - IN-DISTRICT AVERAGE ANNUAL	\$0.49M	\$0.20M	\$0.69M
30-YEAR CUMULATIVE TAX REVENUE	\$14.84M	\$5.93M	\$20.77M
30-YEAR NPV TAX REVENUE	\$6.60M	\$2.75M	\$9.35M
OUT-OF-DISTRICT AVERAGE ANNUAL OPERATIONS TAX REVENUES			
Sales Tax	\$0.11M	\$0.05M	\$0.16M
Hotel Tax	\$0.03M	\$0.00M	\$0.03M
Food & Beverage Tax	\$0.07M	\$0.00M	\$0.07M
Corporate Income Tax	\$0.00M	\$0.00M	\$0.00M
Personal Income Tax	\$0.07M	\$0.02M	\$0.09M
TOTAL - OUT-OF-DISTRICT AVERAGE ANNUAL	\$0.28M	\$0.07M	\$0.35M
30-YEAR CUMULATIVE TAX REVENUE	\$8.30M	\$2.18M	\$10.47M
30-YEAR NPV TAX REVENUE	\$3.92M	\$1.03M	\$4.95M
TOTAL (CONSTRUCTION + OPERATIONS)			
30-YEAR CUMULATIVE TAX REVENUE	\$27.39M	\$9.63M	\$37.02M
30-YEAR NPV TAX REVENUE	\$14.77M	\$5.31M	\$20.08M

Note: NPV discount rate equals 5%.

Overall, it is estimated that construction and operations of the new USLC stadium could generate approximately \$37.0 million in cumulative net new fiscal impacts to the State of Rhode Island over 30 years, \$20.1 million on a net present value basis.

Scheduled D in the appendix summarize the estimated tax impacts year-by-year for Phase 1A.

It should be noted that the economic impact theory used herein to estimate net new tax revenues to the State is a different methodology than used to assess the incremental tax revenues generated within a Tax-Increment District (an analysis provided by MuniCap, Inc under separate cover). The tax revenues generated in a TIF District are agnostic to whether the taxes were generated from spending that would have occurred in the State economy without the project. As such, the tax revenue impact analysis presented herein is an important consideration to assist State officials with making informed decisions regarding the potential net new incremental tax revenues that could be expected in relation to the public dollars invested in Phase 1A of the Pawtucket Riverfront Redevelopment Project.

Non-Quantifiable Impacts

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

- Enhanced activity on an underutilized site 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; and,
- Other such benefits.

SUPPLEMENTAL SCHEDULES

Detailed Year-By-Year Economic and Fiscal Impact Estimates

SCHEDULE A - PHASE 1-A SPENDING
 Net New Annually Recurring Operations Impacts
 State of Rhode Island
 30-Years (2024 to 2053)

Year	IN-DISTRICT			OUT-OF-DISTRICT			TOTAL		
	Direct Spending	Indirect & Induced Spending	Total Spending	Direct Spending	Indirect & Induced Spending	Total Spending	Direct Spending	Indirect & Induced Spending	Total Spending
2024	\$6,717,331	\$5,772,397	\$12,489,728	\$2,880,226	\$2,379,694	\$5,259,920	\$9,597,558	\$8,152,091	\$17,749,649
2025	\$6,659,987	\$5,727,500	\$12,387,487	\$3,111,851	\$2,571,066	\$5,682,918	\$9,771,838	\$8,298,566	\$18,070,404
2026	\$6,930,110	\$5,960,841	\$12,890,950	\$3,502,522	\$2,893,845	\$6,396,367	\$10,432,632	\$8,854,686	\$19,287,318
2027	\$7,316,780	\$6,293,996	\$13,610,776	\$3,762,748	\$3,108,849	\$6,871,596	\$11,079,327	\$9,402,845	\$20,482,172
2028	\$7,455,013	\$6,412,948	\$13,867,961	\$3,838,003	\$3,171,026	\$7,009,028	\$11,293,016	\$9,583,974	\$20,876,989
2029	\$8,769,695	\$7,507,654	\$16,277,349	\$3,914,763	\$3,234,446	\$7,149,209	\$12,684,457	\$10,742,100	\$23,426,557
2030	\$8,913,221	\$7,631,170	\$16,544,391	\$3,993,058	\$3,299,135	\$7,292,193	\$12,906,279	\$10,930,305	\$23,836,584
2031	\$9,059,631	\$7,757,166	\$16,816,797	\$4,072,919	\$3,365,118	\$7,438,037	\$13,132,550	\$11,122,284	\$24,254,834
2032	\$9,208,980	\$7,885,692	\$17,094,672	\$4,154,378	\$3,432,420	\$7,586,798	\$13,363,358	\$11,318,112	\$24,681,470
2033	\$9,361,328	\$8,016,798	\$17,378,127	\$4,237,465	\$3,501,068	\$7,738,534	\$13,598,793	\$11,517,867	\$25,116,660
2034	\$10,689,006	\$9,122,740	\$19,811,745	\$4,322,214	\$3,571,090	\$7,893,304	\$15,011,220	\$12,693,830	\$27,705,049
2035	\$10,847,264	\$9,258,940	\$20,106,205	\$4,408,659	\$3,642,512	\$8,051,170	\$15,255,923	\$12,901,452	\$28,157,375
2036	\$11,008,710	\$9,397,882	\$20,406,592	\$4,496,832	\$3,715,362	\$8,212,194	\$15,505,542	\$13,113,244	\$28,618,786
2037	\$11,173,405	\$9,539,621	\$20,713,026	\$4,586,768	\$3,789,669	\$8,376,438	\$15,760,174	\$13,329,290	\$29,089,464
2038	\$11,341,415	\$9,684,211	\$21,025,626	\$4,678,504	\$3,865,463	\$8,543,966	\$16,019,919	\$13,549,674	\$29,569,593
2039	\$12,683,790	\$10,802,847	\$23,486,638	\$4,772,074	\$3,942,772	\$8,714,846	\$17,455,864	\$14,745,619	\$32,201,483
2040	\$12,858,385	\$10,953,111	\$23,811,496	\$4,867,515	\$4,021,627	\$8,889,143	\$17,725,900	\$14,974,738	\$32,700,639
2041	\$13,036,501	\$11,106,404	\$24,142,905	\$4,964,866	\$4,102,060	\$9,066,925	\$18,001,366	\$15,208,464	\$33,209,830
2042	\$13,218,207	\$11,262,786	\$24,480,993	\$5,064,163	\$4,184,101	\$9,248,264	\$18,282,370	\$15,446,887	\$33,729,257
2043	\$13,403,575	\$11,422,319	\$24,825,894	\$5,165,446	\$4,267,783	\$9,433,229	\$18,569,021	\$15,690,102	\$34,259,124
2044	\$13,595,296	\$11,587,297	\$25,182,592	\$5,268,755	\$4,353,139	\$9,621,894	\$18,864,051	\$15,940,435	\$34,804,486
2045	\$13,790,851	\$11,755,574	\$25,546,424	\$5,374,130	\$4,440,201	\$9,814,332	\$19,164,981	\$16,195,775	\$35,360,756
2046	\$13,990,317	\$11,927,216	\$25,917,533	\$5,481,613	\$4,529,005	\$10,010,618	\$19,471,930	\$16,456,222	\$35,928,151
2047	\$14,193,772	\$12,102,292	\$26,296,064	\$5,591,245	\$4,619,586	\$10,210,831	\$19,785,017	\$16,721,877	\$36,506,895
2048	\$14,401,297	\$12,280,869	\$26,682,165	\$5,703,070	\$4,711,977	\$10,415,047	\$20,104,367	\$16,992,846	\$37,097,213
2049	\$14,612,972	\$12,463,017	\$27,075,989	\$5,817,131	\$4,806,217	\$10,623,348	\$20,430,103	\$17,269,234	\$37,699,337
2050	\$14,828,880	\$12,648,809	\$27,477,689	\$5,933,474	\$4,902,341	\$10,835,815	\$20,762,354	\$17,551,150	\$38,313,504
2051	\$15,049,107	\$12,838,316	\$27,887,423	\$6,052,144	\$5,000,388	\$11,052,531	\$21,101,250	\$17,838,704	\$38,939,954
2052	\$15,273,738	\$13,031,613	\$28,305,351	\$6,173,186	\$5,100,396	\$11,273,582	\$21,446,924	\$18,132,009	\$39,578,933
2053	\$15,502,862	\$13,228,777	\$28,731,639	\$6,296,650	\$5,202,404	\$11,499,054	\$21,799,512	\$18,431,180	\$40,230,692
AVERAGE ANNUAL	\$11,529,714	\$9,846,027	\$21,375,741	\$4,749,546	\$3,924,159	\$8,673,704	\$16,279,260	\$13,770,185	\$30,049,445
30-YEAR CUMULATIVE	\$345,891,423	\$295,380,804	\$641,272,228	\$142,486,373	\$117,724,758	\$260,211,131	\$488,377,796	\$413,105,563	\$901,483,359
30-YEAR NET PRESENT VALUE	\$159,347,275	\$136,214,895	\$295,562,169	\$67,403,291	\$55,689,790	\$123,093,082	\$226,750,566	\$191,904,685	\$418,655,251

(Note: NPV discount rate equal is 5%.)

Year	IN-DISTRICT			OUT-OF-DISTRICT			TOTAL		
	Direct Jobs	Indirect & Induced Jobs	Total Jobs	Direct Jobs	Indirect & Induced Jobs	Total Jobs	Direct Jobs	Indirect & Induced Jobs	Total Jobs
2024	65	42	108	53	16	69	119	58	177
2025	63	41	104	57	17	73	119	58	178
2026	64	42	106	62	19	81	126	61	187
2027	66	44	110	66	20	85	132	63	195
2028	66	44	110	66	20	85	132	63	195
2029	87	49	136	66	20	85	153	69	222
2030	87	49	136	66	20	85	152	69	221
2031	86	49	135	66	20	85	152	69	220
2032	86	49	135	66	20	85	151	69	220
2033	85	49	134	66	20	85	151	68	219
2034	104	54	158	66	20	85	169	74	243
2035	103	54	157	66	20	85	169	73	242
2036	102	53	156	66	20	85	168	73	241
2037	101	53	154	66	20	85	167	73	240
2038	100	53	153	66	20	85	166	73	239
2039	117	58	175	66	20	85	183	77	260
2040	116	57	173	66	20	85	182	77	258
2041	115	57	172	66	20	85	181	76	257
2042	114	57	170	66	20	85	180	76	256
2043	113	56	169	66	20	85	178	76	254
2044	112	56	168	66	20	85	177	76	253
2045	111	56	167	66	20	85	177	75	252
2046	110	55	165	66	20	85	176	75	251
2047	109	55	164	66	20	85	175	75	249
2048	108	55	163	66	20	85	174	74	248
2049	107	55	162	66	20	85	173	74	247
2050	106	54	161	66	20	85	172	74	246
2051	105	54	160	66	20	85	171	74	245
2052	105	54	158	66	20	85	170	73	244
2053	104	54	157	66	20	85	169	73	243
AVERAGE	97	52	149	65	19	84	162	71	233

Note: FTE jobs inclusive of both full and part-time jobs.

SCHEDULE C - PHASE 1A PERSONAL EARNINGS

Net New Annually Recurring Operations Impacts
 State of Rhode Island
 30-Years (2024 to 2053)

Year	IN-DISTRICT			OUT-OF-DISTRICT			TOTAL		
	Direct Earnings	Indirect & Induced Earnings	Total Earnings	Direct Earnings	Indirect & Induced Earnings	Total Earnings	Direct Earnings	Indirect & Induced Earnings	Total Earnings
2024	\$4,291,174	\$2,228,714	\$6,519,888	\$1,528,656	\$841,419	\$2,370,075	\$5,819,830	\$3,070,133	\$8,889,963
2025	\$4,276,604	\$2,214,183	\$6,490,787	\$1,651,589	\$909,085	\$2,560,674	\$5,928,193	\$3,123,268	\$9,051,461
2026	\$4,454,921	\$2,305,324	\$6,760,246	\$1,858,934	\$1,023,214	\$2,882,148	\$6,313,855	\$3,328,538	\$9,642,394
2027	\$4,706,189	\$2,434,674	\$7,140,864	\$1,997,047	\$1,099,235	\$3,096,282	\$6,703,236	\$3,533,910	\$10,237,146
2028	\$4,795,413	\$2,480,712	\$7,276,125	\$2,036,988	\$1,121,220	\$3,158,208	\$6,832,400	\$3,601,932	\$10,434,333
2029	\$5,388,763	\$2,880,838	\$8,269,601	\$2,077,727	\$1,143,645	\$3,221,372	\$7,466,490	\$4,024,483	\$11,490,973
2030	\$5,481,466	\$2,928,648	\$8,410,114	\$2,119,282	\$1,166,517	\$3,285,799	\$7,600,748	\$4,095,166	\$11,695,914
2031	\$5,576,028	\$2,977,418	\$8,553,447	\$2,161,667	\$1,189,848	\$3,351,515	\$7,737,696	\$4,167,266	\$11,904,962
2032	\$5,672,487	\$3,027,167	\$8,699,654	\$2,204,901	\$1,213,645	\$3,418,546	\$7,877,388	\$4,240,812	\$12,118,200
2033	\$5,770,880	\$3,077,915	\$8,848,795	\$2,248,999	\$1,237,918	\$3,486,917	\$8,019,879	\$4,315,832	\$12,335,711
2034	\$6,372,983	\$3,482,423	\$9,855,406	\$2,293,979	\$1,262,676	\$3,556,655	\$8,666,962	\$4,745,099	\$13,412,061
2035	\$6,475,247	\$3,535,147	\$10,010,394	\$2,339,858	\$1,287,930	\$3,627,788	\$8,815,105	\$4,823,077	\$13,638,182
2036	\$6,579,565	\$3,588,932	\$10,168,497	\$2,386,656	\$1,313,688	\$3,700,344	\$8,966,220	\$4,902,620	\$13,868,841
2037	\$6,685,978	\$3,643,799	\$10,329,777	\$2,434,389	\$1,339,962	\$3,774,351	\$9,120,367	\$4,983,761	\$14,104,128
2038	\$6,794,528	\$3,699,770	\$10,494,299	\$2,483,076	\$1,366,761	\$3,849,838	\$9,277,605	\$5,066,531	\$14,344,136
2039	\$7,406,446	\$4,109,222	\$11,515,668	\$2,532,738	\$1,394,096	\$3,926,834	\$9,939,184	\$5,503,318	\$15,442,502
2040	\$7,519,295	\$4,167,393	\$11,686,688	\$2,583,393	\$1,421,978	\$4,005,371	\$10,102,688	\$5,589,371	\$15,692,059
2041	\$7,634,414	\$4,226,736	\$11,861,149	\$2,635,061	\$1,450,418	\$4,085,478	\$10,269,474	\$5,677,154	\$15,946,628
2042	\$7,751,847	\$4,287,274	\$12,039,121	\$2,687,762	\$1,479,426	\$4,167,188	\$10,439,609	\$5,766,700	\$16,206,309
2043	\$7,871,640	\$4,349,032	\$12,220,672	\$2,741,517	\$1,509,015	\$4,250,532	\$10,613,158	\$5,858,046	\$16,471,204
2044	\$7,995,381	\$4,412,882	\$12,408,264	\$2,796,347	\$1,539,195	\$4,335,542	\$10,791,729	\$5,952,077	\$16,743,806
2045	\$8,121,597	\$4,478,010	\$12,599,607	\$2,852,274	\$1,569,979	\$4,422,253	\$10,973,871	\$6,047,989	\$17,021,860
2046	\$8,250,337	\$4,544,440	\$12,794,777	\$2,909,320	\$1,601,379	\$4,510,698	\$11,159,656	\$6,145,819	\$17,305,475
2047	\$8,381,651	\$4,612,199	\$12,993,850	\$2,967,506	\$1,633,406	\$4,600,912	\$11,349,157	\$6,245,605	\$17,594,763
2048	\$8,515,592	\$4,681,313	\$13,196,905	\$3,026,856	\$1,666,074	\$4,692,931	\$11,542,448	\$6,347,387	\$17,889,836
2049	\$8,652,212	\$4,751,809	\$13,404,021	\$3,087,393	\$1,699,396	\$4,786,789	\$11,739,605	\$6,451,205	\$18,190,810
2050	\$8,791,564	\$4,823,716	\$13,615,280	\$3,149,141	\$1,733,384	\$4,882,525	\$11,940,705	\$6,557,099	\$18,497,805
2051	\$8,933,703	\$4,897,060	\$13,830,763	\$3,212,124	\$1,768,051	\$4,980,175	\$12,145,827	\$6,665,111	\$18,810,939
2052	\$9,078,685	\$4,971,871	\$14,050,556	\$3,276,367	\$1,803,412	\$5,079,779	\$12,355,052	\$6,775,283	\$19,130,335
2053	\$9,226,567	\$5,048,179	\$14,274,745	\$3,341,894	\$1,839,481	\$5,181,375	\$12,568,461	\$6,887,659	\$19,456,120
AVERAGE ANNUAL	\$6,915,105	\$3,762,227	\$10,677,332	\$2,520,781	\$1,387,515	\$3,908,296	\$9,435,887	\$5,149,742	\$14,585,628
30-YEAR CUMULATIVE	\$207,453,156	\$112,866,803	\$320,319,959	\$75,623,441	\$41,625,453	\$117,248,894	\$283,076,598	\$154,492,256	\$437,568,853
30-YEAR NET PRESENT VALUE	\$96,533,437	\$52,137,278	\$148,670,715	\$35,773,729	\$19,690,954	\$55,464,682	\$132,307,165	\$71,828,232	\$204,135,397

Note: NPV discount rate equal is 5%.

Year	IN-DISTRICT										OUT-OF-DISTRICT										TOTAL	
	Sales Taxes	Hotel Taxes	Food & Beverage Taxes	Corporate Income Taxes	Personal Income Taxes	Indirect & Intended Taxes	Total Taxes	Sales Taxes	Hotel Taxes	Food & Beverage Taxes	Corporate Income Taxes	Personal Income Taxes	Indirect & Intended Taxes	Total Taxes	Sales Taxes	Hotel Taxes	Direct Beverage Taxes	Corporate Income Taxes	Personal Income Taxes	Indirect & Intended Taxes	Total Taxes	
2024	\$31,000	\$0	\$14,000	\$16,000	\$177,000	\$121,000	\$359,000	\$64,000	\$70,000	\$20,000	\$48,000	\$40,000	\$44,000	\$211,000	\$55,000	\$20,000	\$57,000	\$16,000	\$211,000	\$165,000	\$585,000	
2025	\$29,000	\$0	\$13,000	\$15,000	\$170,000	\$120,000	\$337,000	\$60,000	\$68,000	\$19,000	\$46,000	\$39,000	\$43,000	\$203,000	\$52,000	\$19,000	\$54,000	\$15,000	\$203,000	\$160,000	\$565,000	
2026	\$27,000	\$0	\$12,000	\$14,000	\$163,000	\$119,000	\$326,000	\$58,000	\$66,000	\$18,000	\$45,000	\$38,000	\$42,000	\$197,000	\$50,000	\$18,000	\$52,000	\$14,000	\$197,000	\$157,000	\$555,000	
2027	\$25,000	\$0	\$11,000	\$13,000	\$156,000	\$118,000	\$317,000	\$56,000	\$64,000	\$17,000	\$44,000	\$37,000	\$41,000	\$192,000	\$48,000	\$17,000	\$50,000	\$13,000	\$192,000	\$154,000	\$545,000	
2028	\$23,000	\$0	\$10,000	\$12,000	\$149,000	\$117,000	\$309,000	\$54,000	\$62,000	\$16,000	\$43,000	\$36,000	\$40,000	\$187,000	\$46,000	\$16,000	\$48,000	\$12,000	\$187,000	\$151,000	\$535,000	
2029	\$21,000	\$0	\$9,000	\$11,000	\$142,000	\$116,000	\$302,000	\$52,000	\$60,000	\$15,000	\$42,000	\$35,000	\$39,000	\$182,000	\$44,000	\$15,000	\$46,000	\$11,000	\$182,000	\$148,000	\$525,000	
2030	\$19,000	\$0	\$8,000	\$10,000	\$135,000	\$115,000	\$295,000	\$50,000	\$58,000	\$14,000	\$41,000	\$34,000	\$38,000	\$177,000	\$42,000	\$14,000	\$44,000	\$10,000	\$177,000	\$145,000	\$515,000	
2031	\$17,000	\$0	\$7,000	\$9,000	\$128,000	\$114,000	\$288,000	\$48,000	\$56,000	\$13,000	\$40,000	\$33,000	\$37,000	\$172,000	\$40,000	\$13,000	\$42,000	\$9,000	\$172,000	\$142,000	\$505,000	
2032	\$15,000	\$0	\$6,000	\$8,000	\$121,000	\$113,000	\$281,000	\$46,000	\$54,000	\$12,000	\$39,000	\$32,000	\$36,000	\$167,000	\$38,000	\$12,000	\$40,000	\$8,000	\$167,000	\$139,000	\$495,000	
2033	\$13,000	\$0	\$5,000	\$7,000	\$114,000	\$112,000	\$274,000	\$44,000	\$52,000	\$11,000	\$38,000	\$31,000	\$35,000	\$162,000	\$36,000	\$11,000	\$38,000	\$7,000	\$162,000	\$136,000	\$485,000	
2034	\$11,000	\$0	\$4,000	\$6,000	\$107,000	\$111,000	\$267,000	\$42,000	\$50,000	\$10,000	\$37,000	\$30,000	\$34,000	\$157,000	\$34,000	\$10,000	\$36,000	\$6,000	\$157,000	\$133,000	\$475,000	
2035	\$9,000	\$0	\$3,000	\$5,000	\$100,000	\$110,000	\$260,000	\$40,000	\$48,000	\$9,000	\$36,000	\$29,000	\$33,000	\$152,000	\$32,000	\$9,000	\$34,000	\$5,000	\$152,000	\$130,000	\$465,000	
2036	\$7,000	\$0	\$2,000	\$4,000	\$93,000	\$109,000	\$253,000	\$38,000	\$46,000	\$8,000	\$35,000	\$28,000	\$32,000	\$147,000	\$30,000	\$8,000	\$32,000	\$4,000	\$147,000	\$127,000	\$455,000	
2037	\$5,000	\$0	\$1,000	\$3,000	\$86,000	\$108,000	\$246,000	\$36,000	\$44,000	\$7,000	\$34,000	\$27,000	\$31,000	\$142,000	\$28,000	\$7,000	\$30,000	\$3,000	\$142,000	\$124,000	\$445,000	
2038	\$3,000	\$0	\$0	\$2,000	\$79,000	\$107,000	\$239,000	\$34,000	\$42,000	\$6,000	\$33,000	\$26,000	\$30,000	\$137,000	\$26,000	\$6,000	\$28,000	\$2,000	\$137,000	\$121,000	\$435,000	
2039	\$1,000	\$0	\$0	\$1,000	\$72,000	\$106,000	\$232,000	\$32,000	\$40,000	\$5,000	\$32,000	\$25,000	\$29,000	\$132,000	\$24,000	\$5,000	\$26,000	\$1,000	\$132,000	\$118,000	\$425,000	
2040	\$0	\$0	\$0	\$0	\$65,000	\$105,000	\$225,000	\$30,000	\$38,000	\$4,000	\$31,000	\$24,000	\$28,000	\$127,000	\$22,000	\$4,000	\$24,000	\$0	\$127,000	\$115,000	\$415,000	
2041	\$0	\$0	\$0	\$0	\$58,000	\$104,000	\$218,000	\$28,000	\$36,000	\$3,000	\$30,000	\$23,000	\$27,000	\$122,000	\$20,000	\$3,000	\$22,000	\$0	\$122,000	\$112,000	\$405,000	
2042	\$0	\$0	\$0	\$0	\$51,000	\$103,000	\$211,000	\$26,000	\$34,000	\$2,000	\$29,000	\$22,000	\$26,000	\$117,000	\$18,000	\$2,000	\$20,000	\$0	\$117,000	\$109,000	\$395,000	
2043	\$0	\$0	\$0	\$0	\$44,000	\$102,000	\$204,000	\$24,000	\$32,000	\$1,000	\$28,000	\$21,000	\$25,000	\$112,000	\$16,000	\$1,000	\$18,000	\$0	\$112,000	\$106,000	\$385,000	
2044	\$0	\$0	\$0	\$0	\$37,000	\$101,000	\$197,000	\$22,000	\$30,000	\$0	\$27,000	\$20,000	\$24,000	\$107,000	\$14,000	\$0	\$16,000	\$0	\$107,000	\$103,000	\$375,000	
2045	\$0	\$0	\$0	\$0	\$30,000	\$100,000	\$190,000	\$20,000	\$28,000	\$0	\$26,000	\$19,000	\$23,000	\$102,000	\$12,000	\$0	\$14,000	\$0	\$102,000	\$100,000	\$365,000	
2046	\$0	\$0	\$0	\$0	\$23,000	\$99,000	\$183,000	\$18,000	\$26,000	\$0	\$24,000	\$18,000	\$22,000	\$97,000	\$10,000	\$0	\$12,000	\$0	\$97,000	\$98,000	\$355,000	
2047	\$0	\$0	\$0	\$0	\$16,000	\$98,000	\$176,000	\$16,000	\$24,000	\$0	\$22,000	\$16,000	\$21,000	\$92,000	\$8,000	\$0	\$10,000	\$0	\$92,000	\$96,000	\$345,000	
2048	\$0	\$0	\$0	\$0	\$9,000	\$97,000	\$169,000	\$14,000	\$22,000	\$0	\$20,000	\$14,000	\$20,000	\$87,000	\$6,000	\$0	\$8,000	\$0	\$87,000	\$92,000	\$335,000	
2049	\$0	\$0	\$0	\$0	\$2,000	\$96,000	\$162,000	\$12,000	\$20,000	\$0	\$18,000	\$12,000	\$19,000	\$82,000	\$4,000	\$0	\$6,000	\$0	\$82,000	\$88,000	\$325,000	
2050	\$0	\$0	\$0	\$0	\$0	\$95,000	\$155,000	\$10,000	\$18,000	\$0	\$16,000	\$10,000	\$18,000	\$77,000	\$2,000	\$0	\$4,000	\$0	\$77,000	\$84,000	\$315,000	
2051	\$0	\$0	\$0	\$0	\$0	\$94,000	\$148,000	\$8,000	\$16,000	\$0	\$14,000	\$8,000	\$17,000	\$72,000	\$0	\$0	\$2,000	\$0	\$72,000	\$80,000	\$305,000	
2052	\$0	\$0	\$0	\$0	\$0	\$93,000	\$141,000	\$6,000	\$14,000	\$0	\$12,000	\$6,000	\$16,000	\$67,000	\$0	\$0	\$0	\$0	\$67,000	\$76,000	\$295,000	
2053	\$0	\$0	\$0	\$0	\$0	\$92,000	\$134,000	\$4,000	\$12,000	\$0	\$10,000	\$4,000	\$15,000	\$62,000	\$0	\$0	\$0	\$0	\$62,000	\$72,000	\$285,000	
AVERAGE ANNUAL	\$51,253	\$0	\$16,853	\$19,339	\$276,800	\$189,500	\$692,280	\$109,600	\$119,033	\$39,600	\$111,900	\$93,833	\$93,833	\$449,133	\$246,333	\$33,833	\$68,133	\$10,833	\$449,133	\$270,100	\$1,041,133	
10-YEAR CUMULATIVE	\$512,530	\$0	\$168,530	\$193,390	\$2,768,000	\$1,895,000	\$6,922,800	\$1,096,000	\$1,190,330	\$396,000	\$1,119,000	\$938,330	\$938,330	\$4,491,330	\$2,463,330	\$338,330	\$681,330	\$108,330	\$4,491,330	\$2,701,000	\$10,411,330	
30-YEAR NET PRESENT VALUE	\$2,148,117	\$0	\$698,519	\$815,919	\$11,861,614	\$7,751,414	\$27,347,363	\$4,495,541	\$4,777,071	\$1,614,930	\$4,954,428	\$3,898,769	\$3,898,769	\$19,229,808	\$12,554,449	\$1,254,449	\$2,627,071	\$5,254,449	\$151,919	\$19,229,808	\$12,554,449	\$31,790,258

Tab 3

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

JULY 25, 2022

APPROVED

VOTED: To approve amendments to the Corporation's retirement and savings plan pursuant to the resolution submitted to the Board.

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

JULY 25, 2022

(Retirement & Savings Plan Restatement Resolution)

WHEREAS, the Board of Directors has received information and a presentation regarding certain required, technical amendments to the Corporation's retirement plan (the "Plan").

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

Section 1: The restatement of the Plan annexed as Exhibit 1 hereto is approved;

Section 2: Any of the Chairman, Vice Chairman, Secretary of Commerce, President & COO or Chief Financial Officer (the "Authorized Officers"), acting individually, shall have the authority to adopt such technical amendments to the Corporation's Plan to ensure compliance with federal law, and to take such other actions as such Authorized Officers determine, in their discretion, is in the best interests of the Corporation to carry out the intent of this Resolution.

Section 3: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

EXHIBIT 1

RHODE ISLAND COMMERCE CORPORATION RETIREMENT & SAVINGS PLAN

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**ADOPTION AGREEMENT #001
GOVERNMENTAL PROFIT SHARING NON-STANDARDIZED PLAN**

The undersigned adopting employer hereby adopts this Plan. The Plan is intended to qualify as a tax-exempt plan under Code section 401(a). The Plan is further intended to qualify as a governmental plan under Code section 414(d). The Plan shall consist of this Adoption Agreement, its related Basic Plan Document #02, and any Addendum to the Adoption Agreement. Unless otherwise indicated, all Section references are to Sections in the Basic Plan Document.

NOTE: Code section 401(k)(4)(B)(ii) prohibits governmental employers from establishing new 401(k) plans. This provision does not apply to governmental 401(k) plans adopted before May 6, 1986.

EMPLOYER INFORMATION

NOTE: An amendment is not required to change the responses in items 1-10 below.

NOTE: The Plan Sponsor must be an entity that is eligible to adopt a governmental plan as defined in Code section 414(d).

1. Name of adopting employer (Plan Sponsor): Rhode Island Commerce Corporation
2. Address: 315 Iron Horse Way, Suite 101
3. City: Providence
4. State: RI
5. Zip: 02908
6. Phone number: 401-278-9100
7. Fax number: 401-273-8270
8. Plan Sponsor EIN: 05-0356994
9. Plan Sponsor fiscal year end: June 30
10. State of organization of Plan Sponsor: Rhode Island

PLAN INFORMATION

SECTION A. GENERAL INFORMATION

Plan Name/Effective Date

1. Plan Number: 002
2. Plan name:
 - a. Rhode Island Commerce Corporation Retirement & Savings Plan
 - b. _____

NOTE: A.1 is optional.
3. **Effective Date**
 - a. Original effective date of Plan: January 1, 2006
 - b. This is a restatement of a previously-adopted plan. Effective date of Plan restatement: January 1, 2022

NOTE: The dates specified above in A.3a or A.3b may not be earlier than the first day of the Plan Year during which the Plan is adopted or amended and restated by the Plan Sponsor.
4. **Merger Information**
 - a. Other Plan name: _____
 - b. Merger effective date: _____
 - c. Additional merger information: _____
5. **Plan Year**
 - a. Plan Year means each consecutive 12-month period ending on December 31 (e.g. December 31)
 - b. The Plan has a Short Plan Year. The Short Plan Year begins _____ and ends _____
 - i. In the event of a Short Plan Year, service conditions will be pro-rated based on months for the following purposes:
 - None
 - All purposes (i.e., eligibility, allocation conditions, and vesting)

Other: _____

NOTE: The provisions of A.5b apply only in the event of an initial Plan Year. A Short Plan Year for reasons other than the initial Plan Year requires a Plan amendment.

6. Limitation Year means:

- a. Plan Year
 b. calendar year
 c. Other: _____

NOTE: If "Other" is selected, the Limitation Year must be a consecutive 12-month period.

7. Frozen Plan

- a. The Plan is frozen as to eligibility effective: _____
 b. The Plan is frozen as to benefit accruals effective: _____

Plan Features

8. Employee Contributions (Section 4.01)

a. Mandatory Employee Contributions (pick-up contributions) are permitted under the Plan:

- i. Yes, _____% of Plan Compensation
 ii. Yes, salary schedule according to the chart below:

Salary Range	Mandatory Employee Contributions

 iii. Yes, other fixed method: _____
 iv. No

b. Voluntary (After-Tax) Contributions are permitted under the Plan:

- i. Yes
 ii. No
 iii. Formerly Allowed

c. Mandatory After-Tax Employee Contributions are permitted under the Plan:

- i. Yes, _____% of Plan Compensation
 ii. Yes, salary schedule according to the chart below:

Salary Range	Mandatory After-Tax Employee Contributions

 iii. Yes, other fixed method: _____
 iv. No

d. Grandfathered 401(k) Contributions adopted by the governmental entity before May 6, 1986 are permitted under the Plan

e. Grandfathered Roth 401(k) Contributions are permitted under the Plan

NOTE: If A.8a is "No", questions regarding Mandatory Employee Contributions are disregarded.

NOTE: If other method (A.8a.iii or A.8c.iii) is selected, the method must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: The governmental entity adopting the 401(k) feature must be the same Employer as the Plan Sponsor within the meaning of Treas. Reg. section 1.410(b)-9. Code section 401(k)(4)(B)(ii) prohibits governmental employers from establishing new 401(k) plans. This provision does not apply to any 401(k) plan adopted before May 6, 1986.

NOTE: A.8e only applies if A.8d is selected.

9. Matching Contributions

Matching Contributions are permitted (Section 4.02):

Yes No

NOTE: If A.9 is "No", questions regarding Matching Contributions are disregarded.

10. Non-Elective Contributions

Non-Elective Contributions are permitted (Section 4.03):

Yes No

NOTE: If "No", questions regarding Non-Elective Contributions are disregarded.

11. Plan Features Effective Dates

- a. There is a special effective date for one or more features specified in A.8 through A.10. The special effective date(s) which occur after the Effective Date specified in A.3 is/are: _____
 b. A previous plan amendment eliminated one or more of the features specified in A.8 through A.10. Specify any provisions that apply to the eliminated Plan features: _____

NOTE: Mandatory Employee Contributions cannot be effective earlier than the date the arrangement was adopted.

Compensation

12. Statutory Compensation

- a. Definition of Statutory Compensation (as defined in Article 2 of the Basic Plan Document):
- i. Section 415 Compensation
 - ii. W-2 Compensation
 - iii. Withholding Compensation
 - iv. Section 415 Safe Harbor Option
- b. Include deemed Code section 125 compensation in definition of Statutory Compensation.
- c. Include Post Severance Compensation in definition of Statutory Compensation.
- d. Include Post Year End Compensation in definition of Statutory Compensation.

13. Plan Compensation

- a. Definition of Plan Compensation (as defined in Article 2 of the Basic Plan Document) for purposes of allocations will be Statutory Compensation with the following exclusions:

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
i. No Exclusions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ii. Pay earned before participation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	n/a
iii. Amounts which are contributed by the Employer pursuant to a salary reduction agreement and not includible in the gross income of the Participant under Code sections 125, 402(e)(3), 402(h), 403(b), 132(f) or 457	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
iv. All of the following benefits (even if includable in gross income): reimbursements or other expense allowances, fringe benefits (cash and noncash), moving expenses, deferred compensation, and welfare benefits (Treas. Reg. section 1.414(s)-1(c)(3))	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v. Differential military pay as defined in Code section 3401(h)(2)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vi. Final Paycheck Pay	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
vii. Post Severance Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
viii. Post Year End Compensation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ix. Other adjustments (e.g., commissions, bonuses, etc.): <u>any program of deferred compensation or additional benefits payable other than in cash and overtime compensation</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

NOTE: If any exclusions are selected which do not meet the safe harbor exclusions as described under Section 414(s) Compensation, the definition of Plan Compensation will cause the Plan to fail to qualify for any contribution safe harbors, such as the permitted disparity allocation or safe harbor contributions.

NOTE: If "Other adjustments" is selected, the description must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

NOTE: See Section 4.01(c) for rules regarding elections for bonuses or other special pay.

SECTION A. GENERAL INFORMATION

- b. Plan Compensation is determined over the period specified below ending with or within the Plan Year:
- i. Plan Year
 - ii. calendar year
 - iii. Plan Sponsor Fiscal Year
 - iv. Limitation Year
 - v. Other 12-month period beginning on: _____ (enter month and day)

Definitions

14. Disability

Definition of Disability

- a. The Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The permanence and degree of such impairment shall be supported by medical evidence.
- b. Under the Social Security Act. The determination by the Social Security Administration that the Participant is eligible to receive disability benefits under the Social Security Act.
- c. Inability to engage in comparable occupation. The Participant suffers from a physical or mental impairment that results in his inability to engage in any occupation comparable to that in which the Participant was engaged at the time of his disability. The permanence and degree of such impairment shall be supported by medical evidence.
- d. Pursuant to other Employer Disability Plan. The Participant is eligible to receive benefits under an Employer-sponsored disability plan.
- e. Under uniform rules established by the Plan Administrator. The Participant is mentally or physically disabled under a written policy.
- f. Other: _____

NOTE: If "Other" is selected, the definition provided must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

15. Choice of Law/State Law

- a. Name of state or commonwealth for choice of law (Section 12.05): the Employer's state of domicile
- b. Enter any state law provisions that apply to the Plan: _____

NOTE: Only state law and regulations may be entered in A.15b. The Plan may not violate applicable state law.

SECTION B. ELIGIBILITY

Exclusions

1. The term "Eligible Employee" shall not include (Check items as appropriate):

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. No Exclusions	[]	[]	[]	[]
b. Union Employees	[]	[]	[]	[]
c. Leased Employees	[]	[X]	[X]	[]
d. Non-Resident Alien	[]	[]	[]	[]
e. Other Employees (Section 3.06(a)):	[]	[X]	[X]	[]
<p><u>(1) residents of Puerto Rico; (2) any employees hired by the Employer prior to January 1, 2006; (3) any employees classified as Student Interns; (3) any temporary employees who have not attained age 21 and who are not expected to complete at least 1,000 Hours of Service in 12 months and have not completed a Year of Service; and (4) any employees, hired prior to July 1, 2007, while they are included in a unit of employees</u></p>				

covered by a Collective Bargaining Agreement between the Employer and Local 877 under which retirement benefits were the subject of good faith bargaining (unless the collective bargaining agreement requires participation in this Plan). For this purpose, a Year of Service is the 12-month period beginning on date of hire, or any Plan Year beginning on or after date of hire, in which the individual is credited with at least 1,000 Hours of Service.

NOTE: If "Other Employees" is selected, the definition provided must be objectively determinable and may not name a specific individual or be specified in a manner that is subject to Employer discretion.

2. Opt-Out

An Employee may irrevocably elect not to participate in the Plan.

NOTE: If the Plan provides for Mandatory Employee Contributions (A.8a.iv is not selected), B.2 shall not apply to Mandatory Employee Contributions.

Eligibility Service Rules

3. Other Employer Service

Count service with employers other than the Employer for eligibility purposes. List other employers and indicate for what purposes (e.g. Mandatory Employee Contributions, Matching, etc.) the service applies along with any limitations: _____

4. Special Participation Date

a. Allow immediate participation for all Eligible Employees employed on a specific date. All Eligible Employees employed on _____ shall become eligible to participate in the Plan as of _____

b. The Plan provides conditions or limitations on immediate participation: _____

NOTE: Describe the conditions or limitations and indicate for what purposes (e.g. Mandatory Employee Contributions, Matching, etc.) the conditions or limitations apply. The conditions/limitations must be objectively determinable and may not be specified in a manner that is subject to Employer discretion.

Eligibility for All Contribution Types

5. Age Requirement for Plan Participation

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. Age Requirement	n/a	None	None	n/a

6. Service Requirement for Plan Participation

	Employee Contributions	Matching Contributions	Non-Elective Contributions	Grandfathered 401(k) Contributions
a. No Minimum Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Completion of _____ Year(s) of Eligibility Service - Elapsed Time	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Completion of _____ Hours of Service (not to exceed 1,000) in a _____ month period (not to exceed 12; hours of service failsafe applies)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>