
The Report on Commerce Corporation Incentive Programs for Fiscal Year 2016

First Wave Closing FundR.I.G.L. § 42-64.23-5(d)

Recipient Name	Recipient Address	Award Date	Project Location	Project Cost ²	Incentive Amount ³	Amount Disbursed ⁴	Award Type	Planned Job Creation ⁵	Actual Job Creation ⁶	Use of Funds
A.T. Cross Company	One Albion Rd., Lincoln, RI 02865	5/9/2016	Providence	\$ 2,100,000	200,000	Anticipated FY17	Grant	35	First reporting deadline anticipated FY17	Fit-out of leased space located at 297-299 Promenade Street, Providence which is anticipated to result in the creation of thirty-five new full-time jobs in the state
Total				\$ 2,100,000	200,000			35		

High School, College, and Employer PartnershipsR.I.G.L. § 42-64.31-3

Recipient Name	Recipient Address	Award Date	Project Location	Grant Amount	Project Description
Newport Public Schools	109 Old Fort Rd., Newport RI 02840	12/21/2015	Newport	\$ 200,000	Newport will develop an early college high school model program focused on cybersecurity.
Providence Public Schools	797 Westminster St., Providence RI 02903	12/21/2015	Providence	200,000	Providence will develop an early college high school model program focused on information technology.
Westerly Public Schools	23 Highland Ave., Westerly RI 02891	12/21/2015	Westerly	200,000	Westerly will develop an early college high school model program focused on advanced manufacturing.
Total				\$ 600,000	

Industry Cluster GrantsR.I.G.L. § 42-64.29-7(a)

Recipient Name	Recipient Address	Award Date	Project Cost	Leveraged Resources ⁷	Grant Amount	Industry	Specific Activities Undertaken by Recipient
DesignXRI	333 Westminster St., 2 nd Fl., Providence, RI	5/9/2016	\$ 109,500	9,500	100,000	Design	DesignXRI will make RI design expertise visible through marketing materials and promote design as an important investment for Rhode Island businesses.
Highlander Institute	65 Atlantic Ave., Providence, RI	5/9/2016	422,250	272,500	149,750	Education Technology	Highlander Institute will leverage compact size and existing education networks as a unique platform for testing new Education Technology (“EdTech”) products to enhance Rhode Island as an EdTech Hub that can retain and recruit EdTech talent and businesses.
International Yacht Restoration School (IYRS)	449 Thames St., Ste. 111, Newport, RI	5/9/2016	87,925	12,635	75,290	Marine	IYRS will develop plans for a “Mobile Maker Lab,” a traveling trailer equipped with 21st century manufacturing technologies in order to incorporate advanced manufacturing and design into high school curriculum to enhance workforce development and innovation.
Polaris	75 Lower College Rd., Suite 001, Kingston, RI	5/9/2016	168,700	69,100	99,600	Composites	Polaris will promote the adoption of composites as a new material for manufactured products.
Partnership for a Greater Future Providence	10 Davol Sq., Ste. 100, Providence, RI	5/9/2016	244,970	129,970	115,000	Food	Partnership for a Greater Future Providence & Southside Community Land Trust will grow urban food cluster businesses by bringing in new outside investors and business partners, collaborating with and building on scalable local food cluster organizations, and prioritizing projects with attractive job creation and/or neighborhood redevelopment impacts.

Industry Cluster Grants--continuedR.I.G.L. § 42-64.29-7(a)

Recipient Name	Recipient Address	Award Date	Project Cost	Leveraged Resources	Grant Amount	Industry	Specific Activities Undertaken by Recipient
SENEDIA	581 Wapping Rd., Portsmouth, RI	5/9/2016	\$ 209,000	100,000	109,000	Cybersecurity	SENEDIA will provide small firms with information on Department of Defense and Homeland Security budgets, programs and points of contact so they have similar business development intelligence enjoyed by larger companies
RI Manufacturers Association	85 Douglas Pike, Smithfield, RI	5/9/2016	270,550	170,550	100,000	Advanced Manufacturing	RIMA will increase access to advanced manufacturing facilities and expand local supply chains.
Total Number of Awards Approved: 7			\$ 1,512,895	764,255	748,640		

Innovation Vouchers & Network Matching GrantsR.I.G.L. § 42-64.28-9

Recipient Name	Recipient Address	Award Date	Project Location	Program	Project Cost	Leveraged Resources	Grant Amount	Industry	Project Description
Agcore	15 Jennifer Cir., Cranston, RI	1/25/2016	University of Rhode Island, South Kingstown	Voucher	\$ 50,000	–	50,000	Biotech	Agcore Technologies, LLC will work with the Department of Fisheries, Animal and Veterinary Science at the University of Rhode Island to develop a high protein, nutritious fish feed from bio-nutrition algae (Spirulina). The project will include validation testing of the new algae fish feed, which will provide the proof-of-concept needed to take the product to market.
Applied Radar	315 Commerce Park Rd., Unit 3, North Kingstown, RI	1/25/2016	Polaris MEP, Providence	Voucher	20,000	10,000	10,000	Defense	Applied Radar, Inc. will work with Polaris MEP to establish a lean manufacturing facility to support catalog sales of microwave electronic systems and components derived from its established defense R&D business. The lean manufacturing will lead to increased efficiencies and improved quality, furthering sales, generating new jobs, and taxable commercial activity.
CBC LLC	254 Randall Ave., Warwick, RI	1/25/2016	University of Rhode Island, South Kingstown	Voucher	50,000	–	50,000	Energy	CBC, LLC will work with the Mechanical and Aerospace Engineering Department at the University of Rhode Island to perform fluid and structural analysis on the design of the company's <i>Hidden In Plain Sight (HIPS) Wind Energy System</i> . This work will allow the company to build a 5kW unit for evaluation and testing, and demonstrate the product's performance to clients
EpiVax	146 Clifford St., Providence, RI	1/25/2016	Rhode Island Hospital, Providence	Voucher	150,000	100,000	50,000	Biotech	EpiVax, Inc. will work with Rhode Island Hospital to apply its Tregitope Immune Modulation Platform to the development of a treatment for graft-versus-host-disease (GVHD). GVHD develops in 10-15% of transplant recipients and is associated with a 50% mortality rate. Successful completion of this project will advance a novel immunotherapy towards clinic and lead to further applications of the platform for autoimmune disease, allergy and biologics.

Innovation Vouchers & Network Matching Grants--continuedR.I.G.L. § 42-64.28-9

Recipient Name	Recipient Address	Award Date	Project Location	Program	Project Cost	Leveraged Resources	Grant Amount	Industry	Project Description
Full Measure Industries	11 Broadcommon Rd., Unit 2 #400, Bristol, RI	1/25/2016	Roger Williams University, Bristol	Voucher	\$ 53,814	5,000	48,814	Biotech	Full Measure, LLC will work with Roger Williams University's Shellfish Analytical Laboratory to test the concept of injecting a dilute solution of Full Measure CAL into the flow stream of an upweller system to allow for the uptake of the treatment by shellfish seed leading to improved shell growth and resiliency. The demonstration of a calcium application in the shellfish aquaculture industry will open new venues for products and expand the client base to a whole new farming sector.
HM Solutions	11 South Angell St., Ste. #380, Providence, RI	1/25/2016	Brown University, Providence	Voucher	152,500	132,500	20,000	Clean Technology	HM Solutions, Inc. will work with Brown University to enhance the company's water treatment system that eliminates Arsenic and other contaminants from drinking water. The continued development of the product will lead to in-field testing and manufacturing.
Material Science Associates	315 Commerce Park Rd., Unit 1, North Kingstown, RI	1/25/2016	Rhode Island Hospital, Providence	Voucher	50,000	—	50,000	Biomedical	Materials Science Associates, LLC will work with Rhode Island Hospital to test the company's antibiotic-independent antimicrobial applicator for clinical effectiveness in the orthopedic trauma setting. The data acquired will be used to move to FDA approval and mass production for use in hospitals and potentially OTC.
Pilgrim Screw	120 Sprague St., Providence, RI	1/25/2016	University of Rhode Island, South Kingstown	Voucher	72,921	23,000	49,921	Advanced Manufacturing	Pilgrim Screw Corporation will work with the University of Rhode Island's Thin Film Surface Analysis Laboratory to test an innovative approach for embedding information directly into their product. The success of this project will lead to a breakthrough in the aerospace industry by providing a fast and reliable solution for anti-counterfeiting, sorting, post-disaster identification purposes and inventory control. This idea is new, patentable, and potentially industry changing.

Innovation Vouchers & Network Matching Grants--continuedR.I.G.L. § 42-64.28-9

Recipient Name	Recipient Address	Award Date	Project Location	Program	Project Cost	Leveraged Resources	Grant Amount	Industry	Project Description
S2S	P.O. Box 722, East Greenwich, RI	1/25/2016	Rhode Island College, Providence	Voucher	\$ 37,613	–	37,613	Biomedical	S2S Surgical, LLC will work with the Rhode Island College Langevin Center for Design, Innovation & Advanced Manufacturing to support the development of a set of procedures that will lead to the 3D printing of custom built, patient-specific implant prototypes for the treatment of wrist and thumb disorders
Vitae	244 Weybosset St., Providence, RI	1/25/2016	Brown University, Providence	Voucher	40,000	–	40,000	Biomedical	Vitae Industries, Inc. will work with Brown University to develop a gel that can be used for personalized drug compounding, enabling pharmacies to provide cost-effective and tailored medication doses for each patient.
Yushin America	35 Kenney Dr., Cranston, RI	1/25/2016	University of Rhode Island, South Kingstown	Voucher	45,549	–	45,549	Advanced Manufacturing	Yushin America, Inc. will work with the University of Rhode Island's Mechatronics Lab to design and fabricate a grip mechanism that can be utilized by a robot to handle various parts. The new grip mechanism will improve manufacturing robotics capabilities and efficiencies. This new gripper mechanism will also extend the functionality of Yushin's current robotic product line and increase Yushin's sales in the area of component and replacement parts.
Hope and Main	691 Main St., Warren, RI	3/28/2016	Statewide	Network Matching	258,953	150,956	107,997	Food	Funds will be used to support an additional production kitchen build out at Hope & Main's current facilities that will accommodate new ventures, as well as the addition of office space for anchor tenants.
Práctico Innovation	20 Cobane Terrace, West Orange, NJ	3/28/2016	Statewide	Network Matching	200,000	150,000	50,000	All	Práctico Innovation discovers and invests in ingenious practical businesses within communities of color that use science and technology to deliver value for new existing products and services.

Innovation Vouchers & Network Matching Grants--continuedR.I.G.L. § 42-64.28-9

Recipient Name	Recipient Address	Award Date	Project Location	Program	Project Cost	Leveraged Resources	Grant Amount	Industry	Project Description
SEG	10 Davol Sq., Ste. 100, Providence, RI	3/28/2016	Statewide	Network Matching	\$ 151,140	36,140	115,000	All/Health/ Food	Social Enterprise Greenhouse will expand its co-working space and build the capacity of its venture development services to better serve do-well, do-good entrepreneurs and businesses in the local food and health & wellness sectors, as well as connect student entrepreneurs with internships, consulting positions, and job opportunities in current SEG ventures through talent matchmaking.
MassChallenge	21 Drydock Ave., 6 th Fl., Boston, MA	3/28/2016	Statewide	Network Matching	212,500	112,500	100,000	All	MassChallenge will administer an accelerator bootcamp program for Rhode Island small businesses modeled after the successful MassChallenge framework. Funds will also support other efforts to help Rhode Island create a uniquely powerful brand of innovation and strong reputation as an ideal state for entrepreneurs to grow their businesses, including an innovation entrepreneurial ecosystem analysis and an Innovation Roundtable summit of key RI stakeholders.
Total, Innovation Vouchers		Number of Awards Approved: 11			\$ 722,397	270,500	451,897		
Total, Network Matching Grants		Number of Awards Approved: 4			\$ 822,593	449,596	372,997		

Main Street Rhode Island Streetscape Improvement FundR.I.G.L. § 42-64.27-4

Recipient Name	Recipient Address	Award Date	Project Location	Municipality	Project Cost	Grant Amount	Amount Disbursed	Use of Funds
Town of Bristol	10 Court St. Bristol, RI 02809	3/28/2016	Hope St. & Metacom Ave.	Bristol	\$ 240,000	80,000	Anticipated FY18	Wayfinding signage to direct visitors along Routes 114 and 136 to the downtown commercial district and available public parking.
City of Central Falls	580 Broad St., Central Falls, RI 02863	3/28/2016	Broad & Dexter Sts.	Central Falls	535,000	300,000	Anticipated FY17	Façade improvements along Dexter Street, a public art installation to conceal overhead wires, and the provision of free public Wi-Fi within the commercial district.
Town of East Greenwich	P.O. Box 111, East Greenwich, RI 02818	3/28/2016	Main St.	East Greenwich	113,640	32,400	Anticipated FY17	Main Street sidewalk repair and street tree improvements to support accessibility and sustainability of infrastructure in the town's historic commercial district.
One Neighborhood Builders	66 Chaffee St., Providence RI 02909	3/28/2016	Olneyville Sq.	Providence	280,000	196,000	Anticipated FY17	Structural upgrades to bus stops to improve shelter infrastructure and increase the safety and accessibility for pedestrian traffic in Olneyville Square in Providence.
City of Pawtucket	137 Roosevelt Ave., Pawtucket, RI 02860	3/28/2016	Main St.	Pawtucket	350,000	245,000	Anticipated FY18	Replace derelict storefronts on the ground level of the city's main municipal parking garage with landscaping, install wayfinding station outside of the garage, and implement a two-way traffic pattern on Main Street. Internal to the garage, lighting will be upgraded to promote visibility and safety.
The Providence Foundation	30 Exchange Terrace, Providence, RI 02903	3/28/2016	Downtown Providence	Providence	289,825	76,000	Anticipated FY17	Wayfinding signage around downtown Providence to direct foot and vehicle traffic to downtown commercial destinations, transit centers, and landmarks.
City of Woonsocket	169 Main St., Woonsocket, RI 02895	3/28/2016	Main St.	Woonsocket	675,000	70,000	Anticipated FY17	Landscaping installations and the creation of drop-off areas and handicap accessibility to slow traffic, as well as curbing upgrades, in the city's Arts District.
Total					\$ 2,483,465	999,400		

Rebuild Rhode Island Tax Credit⁸**R.I.G.L. § 42-64.20-9(b), (c)**

Recipient Name	Recipient Address	Award Date	Project Location	Project Cost	Tax Credit Amount	Estimated Job Creation	Planned Leverage⁹
93 Cranston LLC	93 Cranston St., Providence, RI	1/25/2016	93 Cranston St., Providence	\$ 10,100,000	2,733,000	<i>Construction jobs....49</i> <i>Ongoing jobs.....26</i>	3.7
John M. Corcoran & Co., LLC & Trilogy Development	100 Grandview Rd., Ste. 203, Braintree, MA 02184	1/25/2016	Smith & Canal Sts., Providence	54,100,000	5,583,000	<i>Construction jobs...225</i> <i>Ongoing jobs.....9</i>	9.7
Case Mead Assoc., LLC	100 Westminster St., Ste. 1700 Providence, RI 02903	2/22/2016	68-76 Dorrance St., Providence	7,700,000	2,179,977	<i>Construction jobs....31</i> <i>Ongoing jobs.....2</i>	3.5
Omni Development Corp. and Winn Development	810 Eddy St., Providence, RI 02905	3/28/2016	560 Prospect St., Pawtucket	12,200,000	3,657,600	<i>Construction jobs....48</i> <i>Ongoing jobs.....10</i>	3.3
Providence Capital III, LLC	100 Dorrance St. Box #17 Providence, RI 02903	3/28/2016	170 Westminster St., Providence	15,200,000	3,036,032	<i>Construction jobs....53</i> <i>Ongoing jobs.....71</i>	5.0
78 Fountain JV Owner LLC	71 Third Ave., Burlington, MA 01803	3/28/2016	78 Fountain St., Providence	48,400,000	6,115,119	<i>Construction jobs...213</i> <i>Ongoing jobs.....92</i>	7.9
A.T. Cross Company	One Albion Rd., Lincoln, RI 02865	5/9/2016	Providence	2,100,000	400,000	<i>Construction jobs....13</i> <i>Ongoing jobs.....35</i>	5.2
Union Mill LLC	108 Catherine St., Newport, RI 02840	5/23/2016	334 Knight St., Warwick	34,600,000	3,626,403	<i>Construction jobs...162</i> <i>Ongoing jobs.....129</i>	9.5

Rebuild Rhode Island Tax Credit—continued¹⁰R.I.G.L. § 42-64.20-9(b), (c)

Recipient Name	Recipient Address	Award Date	Project Location	Project Cost	Tax Credit Amount	Estimated Job Creation	Planned Leverage
D'Ambra Warwick Hotel, LLC	800 Jefferson Blvd, Warwick, RI 02886	6/27/2016	800 Jefferson Blvd., Warwick	\$ 23,800,000	1,366,991	<i>Construction jobs...</i> 111 <i>Ongoing jobs.....</i> 26	17.4
Ocean State Jobbers	375 Commerce Park Rd., North Kingstown, RI 02852	6/27/2016	North Kingstown	49,067,740	3,100,000	<i>Construction jobs...</i> 190 <i>Ongoing jobs.....</i> 125	15.8
Total				\$ 257,267,740	31,798,122	<i>Construction jobs...</i> 1,095 <i>Ongoing jobs.....</i> 525	

Rhode Island Qualified Jobs Incentive Tax Credit¹¹R.I.G.L. § 44-48.3-13(b), (c)

Recipient Name	Recipient Address	Award Date	Project Location	Projected Tax Credit Amount	Planned Job Creation	Actual Job Creation
Greystone of Lincoln, Inc.	7 Wellington Rd., Lincoln, RI 02865	1/4/2016	Lincoln	\$ 459,720	25	Pending first annual certification
Trade Area Systems, Inc.	555 Pleasant St., Suite 201, Attleboro, MA 02703	2/22/2016	Providence	521,507	28	Pending first annual certification
A.T. Cross Company	One Albion Rd., Lincoln, RI 02865	5/9/2016	Providence	1,232,499	35	Pending first annual certification
Ivory Ella, LLC	89 Tom Harvey Rd., Westerly, RI 02891	5/23/2016	Westerly	362,055	30	Pending first annual certification
Ocean State Job Lot	375 Commerce Park Rd., North Kingstown, RI 02852	6/27/2016	North Kingstown	3,230,190	125	Pending first annual certification
Total				\$ 5,805,971	243	

Tax Increment Financing¹²
R.I.G.L. § 42-64.21-8(a), (c)

Recipient Name	Recipient Address	Award Date	Project Location	Project Cost	Incentive Amount	Estimated Job Creation	Planned Leverage
Exchange Street Hotel LLC	10 North Main St. Fall River, MA 02722	5/23/2016	5 Exchange St., Providence	\$ 24,500,000	3,000,000	Construction jobs...122 Ongoing jobs.....61	8.2
D'Ambra Warwick Hotel, LLC	800 Jefferson Blvd, Warwick, RI 02886	6/27/2016	800 Jefferson Blvd, Warwick	23,800,000	3,500,000	Construction jobs...111 Ongoing jobs.....26	6.8
Total				\$ 48,300,000	6,500,000	Construction jobs....233 Ongoing jobs.....87	

Tax Stabilization Incentive
R.I.G.L. § 42-64.22-14(a)

Recipient Name	Recipient Address	Award Date	Project Location	Project Cost	Grant Amount	Planned Job Creation	Planned Leverage
City of Providence	25 Dorrance St. Room 208, Providence, RI 02903	1/25/2016	111 Fountain St., Providence	\$ 40,000,000	246,597	56	162.2
Total				\$ \$40,000,000	246,597	56	

ENDNOTES

1. [Anchor Institution Tax Credit. R.I.G.L. § 42-64.30-10.](#) In Fiscal Year 2016, no awards were made pursuant to the Anchor Institution Tax Credit program.
2. Project Cost is the cost incurred in connection with the project by the Applicant.
3. Incentive Amount is the dollar value of the incentives awarded by the Commerce Corporation.
4. Amount Disbursed is the incentive funds disbursed during Fiscal Year 2016.
5. Planned Job Creation is the number of jobs planned to be created over the course of the project or incentive period.
6. Actual Job Creation is the actual number of jobs created by the Project.
7. Leveraged Resources are the non-incentive resources committed to the project including cash and in-kind support.
8. Economic impact analyses of projects awarded Rebuild Rhode Island tax credits are appended to this report as Exhibit A.
9. Planned Leverage compares the amount of private investment resulting from the award of incentives to the amount of incentives awarded. A higher leverage ratio indicates greater private capital investment per incentive dollar awarded.
10. Rebuild Rhode Island Tax Credit applicant CBWC Holding I LLC withdrew its application relating to a project located at 95 Chestnut St. in Providence after receiving state historic tax credits subsequent to being approved for the Rebuild program.
11. Economic impact analyses of projects awarded Qualified Jobs Incentive tax credits are appended to this report as Exhibit B.
12. Economic impact analyses of projects awarded Tax Increment Financing incentives are appended to this report as Exhibit C.
13. [Small Business Assistance Program. R.I.G.L. § 42-64.25-12.](#) As authorized by statute, in Fiscal Year 2016 the Commerce Corporation partnered with the following outside lending organizations (*loan award amounts*): Business Development Company of Rhode Island (\$1,000,000), Community Investment Corporation (\$170,000), Community Investment Corporation (\$1,000,000), BDC Capital (\$1,900,000), Social Enterprise Greenhouse (\$125,000), Center for Women & Enterprise (\$250,000), Southeastern Economic Development Corporation (\$1,000,000). During Fiscal Year 2017, these funds will be disbursed to the lending organizations, the lending organizations will make available small business loans at or above \$25,000 and micro-loans between \$2,000 and \$25,000, and the Commerce Corporation will report on the commitment, disbursement, and use of these funds.

Appendix A:

[Rebuild Rhode Island Tax Credit](#) Economic Impact Analyses

[R.I.G.L. § 42-64.20-9](#)

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|-----|--|-------------------------------------|
| 1. | 93 Cranston LLC | 93 Cranston St., Providence, RI |
| 2. | John M. Corcoran & Co.,
LLC & Trilogy Development | Smith & Canal Sts., Providence, RI |
| 3. | Case Mead Assoc., LLC | 68-76 Dorrance St., Providence, RI |
| 4. | Omni Development Corp.
& Winn Development | 560 Prospect St., Pawtucket, RI |
| 5. | Providence Capital III, LLC | 170 Westminster St., Providence, RI |
| 6. | 78 Fountain JV Owner LLC | 78 Fountain St., Providence, RI |
| 7. | A.T. Cross Company | Providence, RI |
| 8. | Union Mill LLC | 334 Knight St., Warwick, RI |
| 9. | D'Ambra Warwick Hotel, LLC | 800 Jefferson Blvd., Warwick, RI |
| 10. | Ocean State Jobbers | North Kingstown, RI |

93 Cranston LLC
93 Cranston St., Providence, RI



Rhode Island Commerce Corporation

Rebuild Rhode Island Tax Credit – Economic Impact Analysis

Bourne Avenue Capital Partners/93 Cranston LLC Application

Introduction:

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to 93 Cranston LLC (“the Sponsor”), which is a single purpose Rhode Island LLC, that is owned, controlled, and managed by the principals of Bourne Avenue Capital Partners, D+P Real Estate Advisors LLC, and Truth Box Inc. The credits would be issued in connection with the Sponsor’s decision to invest in a mixed-income, mixed-use development at the former Louttit Laundry site at 93 Cranston Street in Providence. The two-building project would include 39 units of workforce and low-income housing, a garage with 26 parking spaces and an 8,000 square-foot ground-floor space that will be occupied by Urban Greens, an organic grocery co-operative. The total cost of the proposed project is estimated to be \$10.117 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$2,733,000 as well as a sales and use tax exemption on eligible construction and build out costs that is estimated at \$271,239.

This analysis was prepared by Appleseed, Inc., a consulting firm with more than 20 years of experience in economic impact analysis.

Jobs Analysis:

Construction

As shown below in Table 1, the Sponsor’s estimate of the total cost of the proposed expansion is \$10,117,413.

Table 1: Estimated cost of developing 93 Cranston Street

Component	Estimated cost
Land	\$130,000
Site remediation	\$200,000
Construction (including contingency)	\$8,057,700
Soft costs and reserves	\$785,202

Interest costs	\$363,956
Financing fees	\$37,981
Developers' fees	\$542,574
Total	\$10,117,413

For purposes of this analysis we exclude land acquisition and interest and carrying costs as expenses that do not have a direct, current impact on Rhode Island's economy. The remaining costs total is \$9,623,457.

Appleseed estimates that over the course of a two-year construction period, this expenditure will directly and indirectly generate:

- 81 person-years¹ of work in Rhode Island;
- Approximately \$4.344 million in earnings;
- \$13.551 million in State-wide economic output²;
- A projected one-time increase of approximately \$162,916 in personal income taxes paid to the State during construction; and
- A one-time increase of \$6.825 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in thousands of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	49	\$2,910.1	\$4,438.8	\$9,623.5
Indirect Effect	32	\$1,434.4	\$2,386.1	\$3,927.6
Total Effect	81	\$4,344.4	\$6,824.9	\$13,551.0

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

Most of the activity reflected in Table 2 will occur during a two-year construction period (spring 2016 through spring 2018). The anticipated wage rates for construction jobs are shown below in Table 3. For construction managers, anticipated wage rates are the median hourly wage for these occupations in Rhode Island; for construction laborers and skilled tradespersons, anticipated wage rates are Rhode Island's prevailing wage rates for these occupations.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.29
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations:

The Sponsor estimates that when the project is completed and occupied, Urban Greens will employ 18 people in its first year of operation, rising to 26 in year 7 (the last year of an initial seven-year lease) and 32 in year 10. Detail on the types of positions offered, wages or benefits is not available. However, using IMPLAN (an economic modeling tool commonly used in economic impact analyses), we can estimate the impact of the grocery co-op. Appleseed estimates that as of year 7, Urban Greens will directly and indirectly account for:

- 29 full-time equivalent jobs in Rhode Island;
- Approximately \$981,800 in annual earnings (in 2018 dollars);
- \$2.240 million in annual State-wide economic output;
- A projected increase of approximately \$36,818 in personal income taxes paid to the State in year 7 of the store's operation; and
- An increase of \$1.487 million in Rhode Island's annual GDP.

³ Rhode Island Department of Labor & Training, Occupational Employment Statistics, 2014

Table 4: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in thousands of 2019 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	26	\$802.4	\$1,137.4	\$1,668.9
Indirect Effect	3	\$179.4	\$349.3	\$570.9
Total Effect	29	\$981.8	\$1,486.7	\$2,239.8

Workers who fill these jobs are likely to be drawn primarily from the West Side of Providence and other nearby neighborhoods.

In addition to jobs at Urban Greens, Appleseed estimates (based on data on operating expenses provided by the Sponsor) that spending for ongoing management, maintenance and operation of the two-building complex will directly and indirectly support:

- 2 FTE jobs in Rhode Island, with \$92,012 in salaries and wages (in 2018 dollars);
- \$261,218 in Statewide economic output;
- A projected increase \$3,450 in State personal income tax revenues; and
- An increase of \$147,694 in Rhode Island's GDP.

Impact:

The state fiscal impact of the tax credits is up to \$ 2,733,000 in forgone state revenue and/or state expenditure. Direct and indirect state fiscal and economic benefits of the project, including the estimated GDP increase of \$8.459 million and the estimated associated job creation, are detailed in the foregoing analysis. Induced impacts (the impact associated with household spending by Rhode Islanders employed on the project) are not estimated in the foregoing analysis, but they would increase the fiscal and economic benefits of project. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways:

- Remediate and redevelop a blighted property that has been vacant for twenty years.
- Respond to a growing demand for rental housing in the Providence area, which has seen a sharp decline in the vacancy rate for rental units since 2009.
- Provide 39 units of affordable and workforce housing, targeting segments of the local population for whom rental housing in Providence may otherwise be out of reach.
- Make high-quality fresh food more readily available in an underserved area of the City.
- Contribute to the ongoing revitalization of the City's West Side.
- Add to the City's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is

mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

John M. Corcoran & Co., LLC & Trilogy Development
Smith & Canal Sts., Providence, RI



Rhode Island Commerce Corporation

Rebuild Rhode Island Tax Credit – Economic Impact Analysis

Application of John M. Corcoran & Company LLC

Introduction:

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to John M. Corcoran & Company LLC and Trilogy Development (together, “the developers”), both of which have extensive experience in residential development in New England. The credits would be issued in connection with the developers’ decision to invest \$54.085 million in the development of The Commons at Providence Station, a 169-unit residential project (with approximately 170 structured parking spaces), to be constructed on a 2.85-acre site adjacent to the Providence Amtrak and MBTA Station. The developers are requesting a Rebuild Rhode Island tax credit of \$5,583,333 as well as a sales and use tax exemption on eligible construction and build out costs. The actual credit amount to be paid will be reduced by one dollar for each dollar in sales and use tax exemption received.

This analysis was prepared by Appleseed, Inc., a consulting firm with more than 20 years of experience in economic impact analysis.

Jobs Analysis:

Construction

As shown below in Table 1, the developers’ estimate of the total cost of the proposed expansion is \$54,084,726.

Table 1: Estimated cost of developing The Commons at Providence Station

Component	Estimated cost
Land	\$4,293,000
Construction (including contingency)	\$40,155,550
Design, engineering and supervision	\$1,391,000

Construction interest, carrying costs	\$3,966,736
Financing fees	\$1,268,600
Overhead and developers' fees	\$2,350,000
Other	\$659,840
Total	\$54,084,726

For purposes of this analysis we exclude land acquisition and interest and carrying costs as expenses that do not have a direct, current impact on Rhode Island's economy. The remaining costs total \$45,824,990.

Appleseed estimates that over the course of a two-year construction period, this expenditure will directly and indirectly generate:

- 375 person-years¹ of work in Rhode Island;
- Approximately \$20.149 million in earnings;
- \$62.283 million in State-wide economic output²;
- A projected one-time increase of approximately \$755,573 in personal income taxes paid to the State during construction; and
- A one-time increase of \$32.193 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in thousands of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	225	\$13,351.0	\$20,950.1	\$45,825.0
Indirect Effect	150	\$6,797.6	\$11,242.4	\$16,458.3
Total Effect	375	\$20,148.6	\$32,192.5	\$62,283.3

Most of the activity reflected in Table 2 will occur during a two-year construction period (spring 2016 through spring 2018). The anticipated wage rates for construction jobs are shown below in

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

Table 3. For construction managers, anticipated wage rates are the median hourly wage for these occupations in Rhode Island; for construction laborers and skilled tradespersons, anticipated wage rates are Rhode Island's prevailing wage rates for these occupations.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³	RI prevailing wage ⁴
Architect	\$40.29	
Construction manager	\$52.12	
Carpenter		\$34.56
Electrician		\$35.83
Plumber		\$36.88
Laborer		\$28.05

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations:

The developers estimate that when The Commons at Providence Station is completed and occupied, the complex will directly employ 3 full-time workers, as shown in Table 4.

Table 4: developers' estimate of number of jobs and annual pay by job title

Job title	Number of jobs	Annual pay
Manager	1	\$59,587
Leasing consultant	1	\$35,350
Maintenance manager	1	\$64,327
Total	3	
Total above RI median	2	

Additional employment will be created through contracted services.

Appleseed estimates that when the project completed and occupied, spending on management, operations and maintenance will directly and indirectly account for:

- 10 full-time equivalent jobs in Rhode Island;
- Approximately \$462,900 in annual earnings (in 2019 dollars);
- \$1.099 million in annual State-wide economic output;

³ Rhode Island Department of Labor & Training, Occupational Employment Statistics, 2014

⁴ U.S. Department of Labor, *Wage Determinations OnLine* 2015

- A projected increase of approximately \$208,305 in personal income taxes paid to the State during the first twelve years of operation (in addition to the \$753,259 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of \$702,800 in Rhode Island's annual GDP.

Table 5: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in thousands of 2019 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	9	\$410.5	\$608.5	\$938.0
Indirect Effect	1	\$52.4	\$94.3	\$161.4
Total Effect	10	\$462.9	\$702.8	\$1,099.4

Based on information provided by the developers, we estimate that the cost of benefits provided to employees in the three direct jobs shown in Table 4 will equal approximately 42 percent of their direct wages.

Workers who fill these jobs are likely to be drawn primarily from the City of Providence and surrounding communities.

Impact

The state fiscal impact of the tax credits is up to \$5,583,333 in forgone state revenue and/or state expenditure. Direct and indirect state fiscal and economic benefits of the project, including the estimated GDP increase of \$32.193 million and the estimated associated job creation, are detailed in the foregoing analysis. Induced impacts (the impact associated with household spending by Rhode Islanders employed on the project) are not estimated in the foregoing analysis, but they would increase the fiscal and economic benefits of project. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways:

- Respond to a growing demand for rental housing in the Providence area, which has seen a sharp decline in the vacancy rate for rental units since 2009.
- Provide a new use for a parcel that has been vacant for several years.
- Add to the City of Providence's tax base.
- Increase density and development in a key, transit oriented area in proximity to an Amtrak and commuter rail train station.
- Provide a signal to other developers of the attractiveness of the local housing market, thereby having the potential to increase private investment.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion

risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Case Mead Assoc., LLC
68-76 Dorrance St., Providence, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Case Mead Associates LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Case Mead Associates LLC (the “Sponsor”). It is managed by Joseph R. Paolino, Jr., the Managing Partner of Paolino Properties. The credits would be issued in connection with the Sponsor’s decision to invest in the redevelopment of the Case Mead Building, located at 68-76 Dorrance Street in Providence. The project will consist of the rehabilitation of the building exterior, the development of 44 residential micro lofts, and the construction of a second means of egress. The total cost of the proposed project is estimated to be \$7.7 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$2,179,977. This amount will be reduced by the value of the sales and use tax exemption requested by the Company for its eligible construction and build-out costs.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Company’s estimate of total project cost is approximately \$7.7 million.

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

Component	Estimated cost
Land	\$1.6
Construction	\$5.4
Soft costs, financing and closing	\$0.6
Total	\$7.7

After excluding certain costs that do not have a direct, current impact on Rhode Island’s economy (such as land acquisition), Appleseed estimates that the remaining hard and soft costs total \$5.8 million. Appleseed estimates that direct expenditures of \$5.8 million will directly and indirectly generate:

- 51 person-years¹ of work in Rhode Island;

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

- Nearly \$2.7 million in earnings;
- Nearly \$8.2 million in statewide economic output²;
- A projected one-time increase of nearly \$100,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$4.1 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	31	\$1.8	\$2.6	\$5.8
Indirect Effect	20	\$0.9	\$1.5	\$2.4
Total Effect	51	\$2.7	\$4.1	\$8.2

Most of the activity reflected in Table 2 will occur during a nineteen-month construction period (estimated to be 2016-2017). The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Annual operations

The Sponsor estimates that when the project is completed, two workers will be employed to manage and maintain the building, each with annual earnings of \$45,000. Upon stabilization, operating costs are estimated at \$427,000. Based on these estimates, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which is estimated to occur in 2018), it will directly and indirectly account for:

- 7 full-time equivalent jobs in Rhode Island, with approximately \$310,000 in annual earnings (in 2018 dollars);
- Approximately \$530,000 in annual statewide economic output;
- A projected gross increase of more than \$11,000 in personal income taxes paid annually to the State (in addition to the nearly \$100,000 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of \$350,000 in Rhode Island's annual GDP.

Table 4: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	2	\$0.09	\$0.10	\$0.15
Indirect Effect	5	\$0.22	\$0.25	\$0.40
Total Effect	7	\$310	\$350	\$530

The two workers employed directly in management and maintenance of the building will most likely be drawn from neighborhoods within the City of Providence or from other nearby communities.

Impact

The state fiscal impacts of the requested tax credits is up to \$2,179,977 in foregone state revenue and/or state expenditures. Direct and indirect economic and fiscal benefits of the proposed project include the estimated state GDP increase of \$350,000, the estimated associated job creation, and the gross increase of approximately \$240,000 in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Provide 44 units of housing that will support the continued growth of the downtown area's resident population;
- Increase the variety of housing options that are available in the area; and
- Add to City's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion

risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Omni Development Corp. & Winn Development
560 Prospect St., Pawtucket, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Omni Development Corporation and Winn Development – Prospect Heights
Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Omni Development Corporation and Winn Development (together the “Sponsor”). The credits would be issued in connection with the Sponsor’s decision to invest in the first phase of rehabilitation of Prospect Heights, a public housing development owned by the Pawtucket Housing Authority and located at the intersection of Prospect Street and Beverage Hill Avenue in Pawtucket. The first phase will involve the rehabilitation of 101 out of 292 existing units at Prospect Heights. The total cost of the first phase is estimated to be \$12.2 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$3,657,600. This amount will be reduced by the value of the sales and use tax exemption requested by the Sponsor for its eligible construction and build-out costs (valued by the Sponsor at approximately \$180,000).

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$12.2 million.

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

Component	Estimated cost
Land/building acquisition	\$1.4
Construction (hard costs)	\$6.6
Soft costs	\$4.2
Total	\$12.2

After excluding certain costs that do not have a direct, current impact on Rhode Island’s economy (such as property acquisition interest paid during construction) for the purposes of this analysis, the remaining hard and soft costs total approximately \$9.4 million. Appleseed estimates that direct expenditures of \$9.4 million will directly and indirectly generate:

- 48 person-years¹ of work in Rhode Island;
- More than \$4.0 million in earnings;
- Approximately \$12.9 million in statewide economic output²;
- A projected one-time increase of approximately \$151,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$6.9 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	48	\$2.8	\$4.7	\$9.4
Indirect Effect	27	1.3	2.2	3.5
Total Effect	75	\$4.0	\$6.9	\$12.9

Most of the activity reflected in Table 2 is expected to occur during a construction period lasting from April 2016 through August 2017. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

The Sponsor estimates that when the project is completed, four workers will be employed to manage and maintain the rehabilitated property, and that annual operating costs in 2017 (including payroll, utilities, maintenance services, insurance, etc) will total approximately \$785,000. Based on these estimates, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied, it will directly and indirectly account for:

- 11 full-time equivalent jobs in Rhode Island, with approximately \$320,000 in annual earnings (in 2017 dollars);
- Approximately \$960,000 in annual statewide economic output;
- A projected gross increase of more than \$14,000 in personal income taxes paid annually to the State (in addition to the nearly \$151,000 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of approximately \$570,000 in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	10 ⁴	\$0.32	\$0.44	\$0.73
Indirect Effect	1	\$0.07	\$0.13	\$0.23
Total Effect	11	\$0.39	\$0.57	\$0.96

The four workers employed directly in management and maintenance of the building will most likely be drawn from neighborhoods within the City of Pawtucket or from other nearby communities.

Impact

The state fiscal impacts of the requested tax credits is up to \$3,657,600 in foregone state revenue and/or state expenditures. Direct and indirect economic and fiscal benefits of the proposed project include the estimated state GDP increase of \$570,000, the estimated

⁴ In Table 4, direct employment includes both the four workers to be directly employed by the sponsor and six FTE workers whom we estimate would be employed by contractors, primarily in building operations and maintenance.

associated job creation, and a gross increase of nearly \$320,000 in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Improve in the near term and preserve in the long term 101 units that are part of a very limited supply of affordable housing in Pawtucket.
- Provide improved services to residents of Prospect Heights.
- Enhance open space at Prospect Heights.
- Contribute to the revitalization of the surrounding Beverage Hill neighborhood.
- Provide a model for private investment in the preservation and revitalization of public housing.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Providence Capital III, LLC
170 Westminster St., Providence, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Providence Capital III LLC – Union Trust Building Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Providence Capital III LLC (the “Sponsor”), owned and managed by Vincent Geoffroy, Managing Member. The credits would be issued in connection with the Sponsor’s decision to invest in the redevelopment of the Union Trust Building, located at 170 Westminster Street/62 Dorrance Street in Providence. The project will consist of the rehabilitation of the building exterior, retention of an existing ground-floor restaurant, one floor of renovated office space, conversion of floors 3 through 11 from office to 61 rental apartments, and potential development of a new rooftop restaurant. The total cost of the proposed project is estimated to be \$15.2 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$3,036,033. This amount shall be reduced by the sales and use tax exemption on eligible and construction and build out costs.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Company’s estimate of total project cost is approximately \$15.2 million.

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

Component	Estimated cost
Land/building	\$4.5
Construction (hard costs)	\$9.3
Soft costs	\$1.4
Total	\$15.2

After excluding certain costs that do not have a direct, current impact on Rhode Island’s economy (such as land and building acquisition) for the purposes of this analysis, the remaining hard and soft costs total \$10.7 million. Appleseed estimates that direct expenditures of \$10.7 million will directly and indirectly generate:

- 53 person-years¹ of work in Rhode Island;
- Nearly \$4.7 million in earnings;
- Nearly \$15.0 million in statewide economic output²;
- A projected one-time increase of nearly \$174,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$7.6 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	53	\$3.1	\$5.0	\$10.7
Indirect Effect	35	1.6	2.6	4.3
Total Effect	88	\$4.7	\$7.6	\$15.0

Most of the activity reflected in Table 2 (specifically, that associated with the renovation of second-floor office space and conversion of other floors to residential) is expected to occur through mid-2017, with construction of the remaining units and potential rooftop restaurant space completed in 2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

After redevelopment of the Union Trust Building is completed, ongoing operations will include restaurants on the ground floor and the top floor, an office tenant (or tenants) on the second floor, and management, maintenance and leasing of the 61 residential units. Because the ground floor space will continue to be occupied by its current tenant, The Dorrance, we exclude it from our analysis of the economic impact of the project's ongoing operations.

For purposes of this analysis, we assume (consistent with the assumption used in the Sponsor's pro forma) that occupancy of the second-floor office space (about 4,656 square feet) will stabilize at 90 percent. We further assume:

- An employment ratio of 4.25 full-time-equivalent jobs per 1,000 square feet of occupied space, for a total of approximately 28 FTE jobs;
- That the space will be occupied by one or more professional service firms.

The Sponsor estimates that the top-floor restaurant will employ a total of 45 full-and part-time workers. For purposes of this analysis, we assume a total of 38 FTE jobs.

The Sponsor also estimates that when the project is completed, 5 workers will be employed to manage and maintain the building; and that upon stabilization, operating costs will total approximately \$854,000.

Based on these assumptions, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which is estimated to occur in 2018), it will directly and indirectly account for:

- 85 FTE jobs in Rhode Island;
- Nearly \$3.9 million in annual earnings (in 2017 dollars);
- More than \$8.4 million in annual statewide economic output;
- An increase of approximately \$146,000 in personal income taxes paid annually to the State; and
- An increase of nearly \$4.7 million in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	71	\$3.1	\$3.3	\$6.2
Indirect Effect	14	0.8	1.4	2.2
Total Effect	85	\$3.9	\$4.7	\$8.4

Employees of the building's office tenants are likely to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA), while restaurant and building maintenance workers are likely to be drawn primarily from neighborhoods within the City of Providence or from other nearby communities.

Impact

The state fiscal impacts of the requested tax credits is up to \$3,036,033 in foregone state revenue and/or state expenditures. Direct and indirect economic and fiscal benefits of the proposed project include the estimated state GDP increase of \$4.7 million, the estimated associated job creation, and the gross increase of approximately \$1.9 million in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Provide 61 units of housing that will support the continued growth of the downtown area's resident population;
- Provide approximately 4,656 square feet of modernized office space to support continued job growth in the area;
- Provide a new amenity (the top-floor restaurant) that will add to the downtown area's attractiveness as a place to live, work, visit and do business; and
- Add to City's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

78 Fountain JV Owner LLC
78 Fountain St., Providence, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
78 Fountain JV Owner LLC – Nordbloom / Cornish JV

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to 78 Fountain JV Owner LLC (the “Sponsor”). The credits would be issued in connection with the Sponsor’s decision to invest in the construction of a new mixed-use building at 78 Fountain Street in Providence, which is currently operated as a parking lot. The project will include 16,813 square feet of ground floor retail and restaurant space, 145 residential units, and underground parking. The total cost of the proposed project is estimated to be \$48.4 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$6,115,119. The Sponsor has already included the estimated sales and use tax exemption (valued by the Sponsor at approximately \$902,000 in their construction budget.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$48.4 million.

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

Component	Estimated cost
Land acquisition /predevelopment	\$3.4
Construction ¹	\$33.2
Soft costs	\$11.8
Total	\$48.4

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island’s economy (such as land and interest costs), the remaining hard and soft costs total \$49.5 million. Appleseed estimates that direct expenditures of \$41.9 million will directly and indirectly generate:

¹ Includes contingency, tenant improvements and other miscellaneous construction costs

- 352 person-years² of work in Rhode Island;
- \$19.0 million in earnings;
- More than \$59.0 million in statewide economic output³;
- A projected one-time increase of approximately \$713,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$29.4 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	213	\$12.7	\$19.0	\$42.0
Indirect Effect	139	6.3	10.4	17.0
Total Effect	352	\$19.0	\$29.4	\$50.0

Most of the activity reflected in Table 2 is expected to occur during an eighteen-month period beginning in 2023 and ending in 2024. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ⁴
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

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.

² A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

³ Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

⁴ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

After construction is completed, ongoing operations at 78 Fountain Street will include:

- An 8,950 square-foot grocery store
- Two other retail stores with 1,120 square feet each
- Two 2,200 square-foot restaurants
- A 1,223 square-foot coffee shop
- Management and maintenance of the new building (including 145 new residential units)

The Sponsor estimates that the three retail stores will employ 33 full-time and 31 part-time workers; and the restaurants and coffee shop, 32 full-time and 14 part-time workers. Assuming for purposes of this analysis that all part-time workers are employed half-time, these estimate equate to approximately 49 FTE employees in retail operations, and 39 FTE employees in restaurant and coffee shop operations, for a total of approximately 88 FTE jobs in retail and restaurant operations.

The Sponsor also estimates that 5 people (3.67 FTE's) will be employed in management and maintenance of the residential space at 78 Fountain Street.

Based on these assumptions, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which is estimated to occur in 2024), it will directly and indirectly account for:

- 108 FTE jobs in Rhode Island;
- More than \$3.4 million in annual earnings (in 2017 dollars);
- Approximately \$8.9 million in annual statewide economic output;
- An increase of approximately \$129,000 in personal income taxes paid annually to the State; and
- An increase of approximately \$5.6 million in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	92	\$2.6	\$3.9	\$6.1
Indirect Effect	16	0.8	1.7	2.8
Total Effect	108	\$3.4	\$5.6	\$8.9

Retail, restaurant and building maintenance workers are likely to be drawn primarily from neighborhoods within the City of Providence or from other nearby communities.

Impact

The state fiscal impacts of the requested tax credits is up to \$6,115,119, in foregone state revenue and/or state expenditures. Direct and indirect economic and fiscal benefits of the proposed project include the estimated state GDP increase of \$5.6 million, the estimated associated job creation, and the gross increase of more than \$2.2 million in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Redevelop a site in downtown Providence that is currently used primarily for surface parking;
- Provide 145 units of housing that will support the continued growth of the downtown area's resident population; and
- Substantially increase the City's real property tax revenues, relative to what the property now generates.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

A.T. Cross Company
Providence, RI

Rhode Island Commerce Corporation
**Rebuild Rhode Island and Qualified Job Tax Credits – Economic
Impact Analysis**

A.T. Cross Company Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island and Qualified Jobs Incentive tax credits, as well as grant up to \$200,000 from the First Wave Closing Fund, to A.T. Cross Company (the “Company”), a corporation that currently maintains its headquarters and some light manufacturing operations at its facilities in Lincoln, Rhode Island. A.T. Cross is a portfolio company of Clarion Capital Partners, a New York City-based private equity firm. The credits would be issued in connection with the Sponsor’s decision to relocate from its property in Lincoln to leased space on Promenade Street in Providence, to invest \$2.1 million in improvements to this leased space, and over the next three years to increase employment from 105 at its current location to 140 at its proposed new location in Providence.

The average annual earnings of the Sponsor’s 105 Rhode Island employees currently exceed \$75,000. We estimate (based on data provided by the Company) that the median salary for the 35 additional jobs to be created during the next three years will be \$88,000; that annual wages for all 35 of these jobs will exceed Rhode Island’s current median annual wage (\$339,024); and that spending by the Company associated with its 35 new employees will indirectly support 19 full-time-equivalent jobs elsewhere in Rhode Island.

The Company is requesting a Rebuild Rhode Island tax credit of \$400,000, a sales and use tax exemption for eligible construction and build-out costs¹ estimated to be worth \$67,000, and a Qualified Jobs Incentive tax credit estimated to be worth approximately \$1.2 million. In addition to these tax benefits, the Company is requesting a grant of \$200,000 (tied to the projected job creation) through the First Wave Closing Fund to be disbursed upon receiving a certificate of occupancy.

¹ Under the Act, projects eligible to receive a tax credit may, at the discretion of the Corporation, be exempt from sales and use taxes imposed on the purchase of the following classes of personal property to the extent utilized directly and exclusively in the project: (1) furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles; or (2) such other materials, including construction materials and supplies, that are depreciable and have a useful life of one year or more and are essential to the project.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

The Company's estimate of the total cost of the proposed improvements to its leased space is \$2.1 million. Appleseed estimates that direct expenditures of \$2.1 million will directly and indirectly generate:

- 17 person-years² of work in Rhode Island;
- Approximately \$900,000 in earnings;
- \$2.6 million in State-wide economic output³;
- A projected one-time increase of approximately \$35,000 in personal income taxes paid to the State during construction; and
- A one-time increase of \$1.4 million in Rhode Island's GDP.

These impacts are summarized below in Table 1. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 1: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	13	\$0.7	\$1.1	\$2.1
Indirect Effect	4	\$0.2	\$0.3	\$0.5
Total Effect	17	\$0.9	\$1.4	\$2.6

Most of the activity reflected in Table 1 will occur during a three-month construction period expected to begin in June 2016. The anticipated wage rates for construction jobs are shown below in Table 2. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

² A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

³ Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

Table 2: Anticipated wages during construction

Occupation	RI median hourly wage ⁴
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.21
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

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 would be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

Appleseed estimates that when the Company's 35 new jobs are fully phased in (which is expected to occur in 2018), they will directly and indirectly account for:

- 54 full-time equivalent jobs in Rhode Island;
- Approximately \$4.8 million in annual earnings (in 2016 dollars);
- \$17.6 million in annual statewide economic output;
- A projected gross increase of \$2.2 million in personal income taxes paid to the State during a commitment period of not less than twelve years (in addition to the \$35,000 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of \$7.0 million in Rhode Island's annual GDP.

Table 3: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	35	\$3.3	\$4.8	\$13.9
Indirect Effect	19	\$1.5	\$2.2	\$3.7
Total Effect	54	\$4.8	\$7.0	\$17.6

⁴ Rhode Island DLT, Occupational Employment Statistics, 2014

Benefits

Benefits provided in conjunction with the newly-created jobs would include health insurance; health care and dependent care flexible spending accounts; long-term disability and life insurance; a 401k plan, and other benefits.

Hiring

After new positions are approved, job descriptions, recruiting plans and selection criteria will be developed. A.T. Cross will post positions internally for ten days, and then post them externally at Cross.com, on LinkedIn and on local job boards.

Impact

The state fiscal impact of the requested tax credits and state sales and use tax exemption is up to \$1.9 million in foregone state revenue, including the value of the \$200,000 grant cited above. Direct and indirect economic and fiscal benefits of the proposed project include an estimated \$7.0 million increase in Rhode Island's annual GDP; the associated job creation; and a gross increase of approximately \$2.2 million in personal income tax revenues directly and indirectly generated by the project during construction and during a twelve-year commitment period.

In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in other ways.

- Relocation to more compact space in Providence will help the State retain a company that has operated in Rhode Island since 1846, along with 105 existing, high-quality jobs.
- A.T. Cross is also planning to have its distribution service provider relocate its operations from Franklin, Massachusetts to Warwick, Rhode Island. This move will bring 7 to 8 full-time jobs to Rhode Island, along with 50 temporary/seasonal jobs. Cross would also take about 12,000 square feet at the Warwick location for its R&D model shop and its service and repair operations.

Based upon the foregoing analysis, the Corporation anticipates that the issuance of the tax credits will have a positive impact on the State's revenues, as indicated in the estimate of net income tax revenues provided above. Beyond the fiscal impact noted above, there is no anticipated financial

exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly. As the Qualified Jobs tax credit amounts are limited to reasonably expected W-2 withholdings for the new, directly-created jobs, any potential exposure for State taxpayers, or any other foreseeable negative contingency, is limited.

Union Mill LLC
334 Knight St., Warwick, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Union Mill LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Union Mill LLC (the “Sponsor”), an entity owned by the principals of CAM Construction LLC and Union Box Company. The credits would be issued in connection with the Sponsor’s decision to invest in the redevelopment of Pontiac Mills, a complex of historic textile mill buildings located in Warwick. The project will include 127 residential units and approximately 37,000 gross square feet of commercial space. The total cost of the proposed project is estimated to be nearly \$34.2 million.

The Sponsor is requesting a Rebuild Rhode Island tax credit of \$3,626,403. This amount shall be reduced by the value of the sales and use tax exemption (approximately \$500,000) requested by the Sponsor on eligible and construction and build-out costs.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$34.2 million (excluding costs associated with bridging Rebuild tax credits).

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

Component	Estimated cost
Land and building acquisition	\$1.0
Building construction (hard cost)	\$25.6
Hard cost contingency	\$0.75
Architecture and engineering	\$0.2
Financing and closing costs	\$1.4
Other soft costs	\$1.4
Soft cost contingency	\$0.25
Fixtures, furnishings, equipment	\$0.1
Developer’s fee	\$3.5
Total	\$34.2

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as land and financing costs), the remaining hard and soft costs total \$31.8 million. Appleseed estimates that direct expenditures of \$31.8 million will directly and indirectly generate:

- 256 person-years¹ of work in Rhode Island;
- \$13.3 million in earnings;
- Nearly \$43.6 million in statewide economic output²;
- A projected one-time increase of approximately \$500,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$22.7 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	162	\$9.0	\$19.0	\$31.8
Indirect Effect	94	4.3	10.4	11.8
Total Effect	256	\$13.3	\$29.4	\$43.6

Most of the activity reflected in Table 2 is expected to occur between mid-2016 and mid-2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

After construction is completed, ongoing operations at Pontiac Mills will include:

- The operations of tenants occupying the proposed commercial space
- Management and maintenance of the new building (including 127 new residential units)

The Sponsor expects commercial tenants to include providers of legal, financial, business and health services, and estimates that these tenants will employ approximately 125 people. Based on information provided by the Sponsor, we estimate that approximately one-third of these jobs will be new to Rhode Island.

Based on the Sponsor's estimate of ongoing operating costs, Appleseed estimates that 4 people will be employed in ongoing management and maintenance of the project.

Based on these assumptions, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which is estimated to occur in 2018), it will directly and indirectly account for:

- 186 FTE jobs in Rhode Island;
- Approximately \$12.1 million in annual earnings (in 2018 dollars);
- Approximately \$28.8 million in annual statewide economic output;
- An increase of approximately \$446,000 in personal income taxes paid annually to the State; and
- An increase of approximately \$17.2 million in Rhode Island's annual GDP.

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	129	\$9.1	\$12.2	\$20.8
Indirect Effect	57	3.0	5.0	8.0
Total Effect	186	\$12.1	\$17.2	\$28.8

Workers who fill office jobs at Pontiac Mills are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA). Building maintenance workers are likely to be drawn primarily from Warwick or from other nearby communities.

Impact

The state fiscal impact of the requested tax credits is up to \$3,626,403 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated state GDP increase of \$17.2 million, the estimated associated job creation, and the gross increase of nearly \$5.9 million in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Redevelop and reactivate a cluster of vacant and rapidly deteriorating industrial buildings in a strategic location – close to T.F. Green Airport, I-95 and I-295, and with easy access to downtown Providence;
- Provide 127 units of housing; and
- Substantially increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

D'Ambra Warwick Hotel, LLC
800 Jefferson Blvd., Wawick, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
D’Ambra Warwick Hotel LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to D’Ambra Warwick Hotel LLC (the “Sponsor”), an entity controlled by Michael D’Ambra, founder of D’Ambra Construction Company of Warwick. The credits would be issued in connection with the Sponsor’s decision to invest in the development of a new, 120-room Hyatt Place Hotel at 800 Jefferson Boulevard in Warwick. The total cost of the proposed project is estimated to be slightly more than \$23.8 million.

The Sponsor is requesting a Rebuild Rhode Island Tax Credit of \$1,366,991, and a sales and use tax exemption on eligible construction and build-out costs, estimated at \$345,000. If the actual value of the sales and use tax exemption exceeds this estimate, the amount of the Rebuild Rhode Island Tax Credit shall be reduced by the amount of the exemption in excess of \$345,000.

The Sponsor is also seeking tax increment financing totaling \$3.5 million, with the TIF loan(s) to be repaid from the stream of state sales and hotel tax revenues that the operations of the hotel would generate over a twenty-year period.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$23.8 million.

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

Component	Estimated cost
Property acquisition	\$2.2
Building construction (hard cost)	\$16.5
Other construction costs	\$1.3
Furnishings, fixtures & equipment	\$2.0
Financing	\$0.5
Other costs	\$1.3
Total	\$23.8

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as land acquisition and interest costs), the remaining hard and soft costs total \$21.1 million. Appleseed estimates that direct expenditures of \$21.1 million will directly and indirectly generate:

- 147 person-years¹ of work in Rhode Island;
- \$8.6 million in earnings;
- Nearly \$24.7 million in statewide economic output²;
- A projected one-time increase of approximately \$323,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$13.0 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	111	\$6.7	\$9.8	\$19.5
Indirect Effect	36	1.9	3.2	5.2
Total Effect	147	\$8.6	\$13.0	\$24.7

Most of the activity reflected in Table 2 is expected to occur between mid-2016 and mid-2017. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island as of May 2015.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

The Sponsor states that when it is completed and fully operational (expected to occur in the fall of 2017), the proposed hotel will employ 26 people in jobs ranging from general manager, front office manager and sales manager to room attendants and bell persons. Using IMPLAN, Appleseed estimates that the hotel will directly and indirectly account for:

- 32 FTE jobs in Rhode Island;
- Approximately \$1.4 million in annual earnings (in 2018 dollars);
- Approximately \$4.6 million in annual statewide economic output (in 2018 dollars);
- An increase of approximately \$54,000 in personal income taxes paid annually to the State; and
- An increase of nearly \$3.0 million in Rhode Island's annual GDP.

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	26	\$1.1	\$2.4	\$3.7
Indirect Effect	6	0.3	0.6	0.9
Total Effect	32	\$1.4	\$3.0	\$4.6

Workers who fill managerial jobs at the new hotel are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA). Housekeeping, service and maintenance workers are likely to be drawn primarily from Warwick or from other nearby communities.

Impact

The state fiscal impact of the requested tax credits is up to \$1,366,991 in foregone state revenue. The state would also forego hotel tax revenues that will be used to repay the proposed TIF loan(s). Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$3.0 million in annual state GDP, the estimated associated job creation, and the gross increase of approximately \$971,000 in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of

the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Increase the supply of hotel rooms that are available in the area around T.F. Green Airport, increasing customer service during periods of inclement weather.
- Make the hotel easily accessible for people traveling through the airport, via a new ground-level connection between the hotel to an existing airport parking garage.
- Substantially increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Ocean State Jobbers
North Kingstown, RI

Rhode Island Commerce Corporation

Rebuild Rhode Island and Qualified Job Tax Credits – Economic Impact Analysis

Ocean State Jobbers Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island and Qualified Job Incentive tax credits to Ocean State Jobbers Inc, A & M Special Purchasing Inc and Zakopane Real Estate LLC (collectively the “Sponsor”), which together represent the corporate headquarters and distribution center for Ocean State Job Lot, a chain of 123 retail stores operating in the northeastern U.S. The credits would be issued in connection with the Sponsor’s decision to invest in the expansion of its existing headquarters and distribution operations in North Kingstown. The project will result directly in the creation of 178 new jobs over a four-year period, including 125 jobs with annual wages exceeding Rhode Island’s current median annual wage (\$39,042), and will indirectly support 54 full-time-equivalent jobs elsewhere in Rhode Island. The total cost of the proposed project is estimated to be \$49.1 million.

The Company is requesting Rebuild Rhode Island tax credits of \$3,100,000, and Qualified Jobs tax credits of \$3,230,190. The Company is also eligible for a sales tax exemption associated with the project’s eligible construction materials, furnishings and equipment costs, estimated to be approximately \$1.5 million.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown below in Table 1, the Company’s estimate of the total cost of the proposed expansion is \$49.1 million.

Table 1: Estimated cost of the Company’s proposed expansion

Component	Estimated cost (\$mm)
Land	\$1.8
Site work	\$2.2
Building construction	\$27.1
Fixtures and equipment	\$17.9
Total	\$49.1

For purposes of this analysis we count only site work, building construction and the local labor component of the cost of fixtures and equipment (\$3.1 million) as having a direct impact on Rhode

Island's economy. Appleseed estimates that these expenditures, totaling \$32.5 million, will directly and indirectly generate:

- 247 person-years¹ of work in Rhode Island;
- Approximately \$14.1 million in earnings;
- \$40.9 million in State-wide economic output²;
- A projected one-time increase of approximately \$954,000 in taxes paid to the State during construction including approximately:
 - \$530,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;;
 - \$231,000 in state sales taxes paid on those workers' taxable household spending;
 - \$193,000 in state business corporation taxes; and
- A one-time increase of \$21.3 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	190	\$11.0	\$16.3	\$32.5
Indirect Effect	57	\$3.1	\$5.0	\$8.4
Total Effect	247	\$14.1	\$21.3	\$40.9

Most of the activity reflected in Table 2 will occur during a one-year construction period beginning no later than December 2016. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs would be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

Appleseed estimates that when the Sponsor's expansion is fully phased in (which is expected to occur in 2019), it will directly and indirectly account for:

- 232 full-time equivalent jobs in Rhode Island.
- Approximately \$13.3 million in annual earnings (in 2016 dollars).
- \$30.5 million in annual State-wide economic output.
- A projected gross increase of more than \$8.1 million in taxes paid to the State during a commitment period of not less than twelve years (in addition to the \$954,000 in tax revenues cited above that would be generated by spending on construction). These taxes will include approximately:
 - \$5.2 million in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;;
 - \$2.3 million in state sales taxes paid on those workers' taxable household spending;
 - \$657,000 in state business corporation taxes.
- An increase of \$17.5 million in Rhode Island's annual GDP.

Table 4: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	178	\$10.3	\$12.3	\$22.0
Indirect Effect	54	\$3.0	\$5.2	\$8.5
Total Effect	232	\$13.3	\$17.5	\$30.5

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, May 2015.

Expected 2017 median salary across the 125 new jobs directly created by the Company is approximately \$47,000.

Workers who fill these jobs would be drawn primarily from the Providence-Warwick RI-MA NECTA.

Benefits

Benefits provided in conjunction with the newly-created jobs would include health insurance; flexible spending and dependent spending accounts; accident, disability and life insurance; medical, maternity, adoption and other leaves of absence; an unmatched 401k plan; tuition reimbursement; store discounts and other benefits.

Hiring

The Sponsor has a well-defined process for posting new positions both internally and externally. All open positions are posted on its website and on job boards such as Monster.com and Beyond.com. New hires begin their careers with an orientation and a structured on-boarding, and continue thereafter to have access to OSJL's career development programs.

Impact

The state fiscal impact of the requested tax credits and state sales and use tax exemption is up to \$7.8 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated \$17.5 million increase in Rhode Island's annual GDP; and a gross increase of \$9.1 million in personal income, sales and business corporation tax revenues directly and indirectly generated by the project during construction and during a twelve-year commitment period.

In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in other ways.

- Preparation of the site has involved remediation and demolition of three old structures that contained hazardous materials, and removal of abandoned utilities.
- New provisions for stormwater management will reduce runoff and improve water quality.
- The project will add to North Kingstown's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Appendix B:

[Rhode Island Qualified Jobs Incentive Tax Credit](#) Economic Impact Analyses

[R.I.G.L. § 44-48.3-13 \(b\), \(c\)](#)

1. Greystone of Lincoln, Inc. 7 Wellington Rd., Lincoln, RI 02865
2. Trade Area Systems, Inc. 555 Pleasant St., Suite 201, Attleboro, MA 02703
3. A.T. Cross Company One Albion Rd., Lincoln, RI 02865
4. Ivory Ella, LLC 89 Tom Harvey Rd., Westerly, RI 02891
5. Ocean State Job Lot 375 Commerce Park Rd., North Kingstown, RI 02852

Greystone of Lincoln, Inc.

7 Wellington Rd., Lincoln, RI 02865

Economic Impact Analysis

Summary

The Rhode Island Commerce Corporation (the "Corporation") may issue tax credits under the Rhode Island Qualified Jobs Incentive Act of 2015, R.I.G.L. § 44-48.3 (the "Act"), to Greystone of Lincoln, Inc. (the "Company"), a manufacturer of high volume, precision computer numerical control, or CNC, turned parts primarily for the automotive industry, in connection with the Company's decision to invest in the expansion of its existing manufacturing operations in Rhode Island. The project will result directly in the creation of 25 new jobs in the state's manufacturing sector with an annual median salary of \$52,000, and is projected to indirectly support 7 full-time-equivalent jobs elsewhere in Rhode Island.

Jobs Analysis

Annual operations

The Corporation estimates that a Rhode Island company employing 25 people in the manufacture of parts for the automobile industry would directly and indirectly account for:

- 32 full-time equivalent jobs in Rhode Island, consisting of 25 direct jobs and 7 indirect jobs;
- Approximately \$2.093 million in annual earnings (in 2016 dollars);
- \$7.284 million in annual State-wide economic output;
- A projected net increase¹ of \$481,000 in personal income taxes paid to the State during a commitment period of not less than twelve years, as well as \$12,000 in personal income taxes paid during construction; and
- An increase of \$2.528 million in Rhode Island's annual GDP.

Table 1: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in thousands of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	25	\$1,632.8	\$1,832.6	\$5,838.8
Indirect Effect	7	\$460.1	\$695.5	\$1,445.4
Total Effect	32	\$2,092.9	\$2,528.1	\$7,284.2

Fringe benefits associated with the direct jobs are expected to include medical and dental insurance, a 401(k) plan, life insurance, supplemental life insurance, accidental death and dismemberment insurance, and disability insurance.

¹ This does not include the value of the income taxes generated over 10 years by the 25 new jobs created by Greystone, as those income taxes will be offset by the tax credit paid to Greystone under the Act.

To fill these jobs, the Company will advertise and recruit locally, recruit from local technical schools, recruit from engineering programs locally as well as top programs nationally, and attend regional/East Coast military hiring conferences.

Construction

Based on a conservative budget estimate for design and construction for the Company to expand its Lincoln facility in Rhode Island, the Corporation estimates that spending on design and construction will directly and indirectly generate:

- 6 person-years² of work in Rhode Island;
- Approximately \$336,100 in earnings;
- \$897,300 in State-wide economic output³;
- A projected one-time increase of approximately \$12,000 in personal income taxes paid to the State during construction; and
- A one-time increase of \$432,000 in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by the architect and the contractor for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses. The *induced impact* (the impact associated with household spending by Rhode islanders employed on the project) is not included in this analysis.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in thousands of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	5	\$293.1	\$367.7	\$775.0
Indirect Effect	1	\$43.0	\$64.3	\$122.3
Total Effect	6	\$336.1	\$432.0	\$897.3

The duration of the construction jobs created directly by the Company is expected to be no more than six months. (The estimate of 5 person-years of direct employment shown in Table 2 is thus likely in practice to represent approximately 10 people employed for six months.)

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 would be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

² A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

³ Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

State Fiscal Impact

Based upon the foregoing analysis, the Corporation anticipates that the issuance of the tax credits will have a positive impact on the State's revenues, as indicated in the estimate of net income tax revenues provided above. As the tax credit amounts are limited to reasonably expected W-2 withholdings for the new, directly-created, jobs, any potential exposure for State taxpayers, or any other foreseeable negative contingencies, is limited.

Trade Area Systems, Inc.

555 Pleasant St., Suite 201, Attleboro, MA 02703

Rhode Island Commerce Corporation
Qualified Jobs Incentive Tax Credits – Economic Impact Analysis
Trade Area Systems Inc. Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Job Incentive tax credits to Trade Area Systems Inc. (the “Company”). The credits would be issued in connection with the Company’s proposed relocation from Attleboro, Massachusetts to leased space in Providence. The Company expects the proposed relocation to create 28 jobs in Rhode Island within the next two years, with 20 jobs relocated from Massachusetts and 8 new hires. The median annual salary for all of the proposed jobs is \$74,000. None of the jobs would pay less than \$45,000.

The Company is requesting a Qualified Jobs Incentive tax credit tax credit with an estimated total value of approximately \$527,000 over five years.¹

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

The Company estimates that it will spend approximately \$260,000 to build, equip and furnish out its leased space in providence. Appleseed estimates that this spending will directly and indirectly generate:

- 1.5 person-years² of work in Rhode Island;
- Nearly \$84,000 in earnings;
- Nearly \$241,000 in State-wide economic output³;
- A projected one-time increase of more than \$3,100 in personal income taxes paid to the State during construction; and
- A one-time increase of more than \$134,000 in Rhode Island’s GDP.

¹ This ultimate value of the credits could vary depending on the actual wages paid and tax rates applied.

² A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

³ Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

Annual operations

The Company states that within two years of its relocation it will employ 28 workers in Providence, with an estimated payroll of \$2.6 million.

Based on these estimates, Appleseed projects (as shown below in Table 1), that in its third year in Rhode Island the Company will directly and indirectly account for:

- 43 full-time equivalent jobs in Rhode Island;
- Nearly \$3.6 million in annual earnings (in 2016 dollars);
- Nearly \$11.0 million in annual statewide economic output;
- A projected net increase of nearly \$135,000 in personal income taxes paid annually to the State⁴; (in addition to the nearly \$3,100 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of more than \$7.9 million in Rhode Island's annual GDP.

Table 1: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	28	\$2.6	\$6.3	\$8.5
Indirect Effect	15	\$1.0	\$1.6	\$2.5
Total Effect	43	\$3.6	\$7.9	\$11.0

Benefits

In addition to salaries and commissions, the Company covers 80 percent of the cost of health insurance for employees and their families, and 50 percent of the cost of dental and vision coverage; and provides disability insurance, life insurance and a 401k plan.

Hiring

The Company will initially contract for new workers in Providence through a temporary service agency; decisions on directly hiring these workers directly will typically be made after they have completed 160 hours of work.

Impact

Based upon the foregoing analysis, the Corporation anticipates that the issuance of the tax credits will have a positive impact on the State's revenues, as indicated in the estimate of net income tax revenues provided above. As the tax credit amounts are limited to reasonably expected W-2 withholdings for the new, directly-created, jobs, any potential exposure for State taxpayers, or any other foreseeable negative contingencies, is limited.

⁴ This does not include the value of the income taxes generated over 5 years by the 28 new jobs created by Trade Area Systems, as those income taxes will be offset by the tax credit paid to Trade Area Systems under the Qualified Jobs program.

Beyond fiscal impact, direct and indirect economic benefits of the proposed project include:

- An estimated increase of \$11.0 million in Rhode Island's GDP;
- Growth in key advanced industries for Rhode Island, namely IT / Software, Cyber-Physical Systems, and Data Analytics and Advanced Business Services; and
- Highlights Rhode Island's ability to attract growing technology firms from another state.

A.T. Cross Company
One Albion Rd., Lincoln, RI 02865

Rhode Island Commerce Corporation

Economic Impact Analysis

A.T. Cross Company Application

Introduction

The Rhode Island Commerce Corporation (the "Corporation") may issue Rebuild Rhode Island and Qualified Jobs Incentive tax credits, as well as grant up to \$200,000 from the First Wave Closing Fund, to A.T. Cross Company (the "Company"), a corporation that currently maintains its headquarters and some light manufacturing operations at its facilities in Lincoln, Rhode Island. A.T. Cross is a portfolio company of Clarion Capital Partners, a New York City-based private equity firm. The credits would be issued in connection with the Company's decision to relocate from its property in Lincoln to leased space on Promenade Street in Providence, to invest \$2.1 million in improvements to this leased space, and over the next three years to increase employment from 105 at its current location to 140 at its proposed new location in Providence.

The average annual earnings of the Company's 105 Rhode Island employees currently exceed \$75,000. We estimate (based on data provided by the Company) that the median salary for the 35 additional jobs to be created during the next three years will be \$88,000; that annual wages for all 35 of these jobs will exceed Rhode Island's current median annual wage (\$39,024); and that spending by the Company associated with its 35 new employees will indirectly support 19 full-time-equivalent jobs elsewhere in Rhode Island.

The Company is requesting a Rebuild Rhode Island tax credit of \$400,000, a sales and use tax exemption for eligible construction and build-out costs estimated to be worth \$67,000, and a Qualified Jobs Incentive tax credit estimated to be worth approximately \$1.2 million. In addition to these tax benefits, the Company is requesting a grant of \$200,000 (tied to the projected job creation) through the First Wave Closing Fund to be disbursed upon receiving a certificate of occupancy.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

The Company's estimate of the total cost of the proposed improvements to its leased space is \$2.1 million. Appleseed estimates that direct expenditures of \$2.1 million will directly and indirectly generate:

- 17 person-years¹ of work in Rhode Island;

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

- Approximately \$900,000 in earnings;
- \$2.6 million in State-wide economic output²;
- A projected one-time increase of approximately \$35,000 in personal income taxes paid to the State during construction; and
- A one-time increase of \$1.4 million in Rhode Island's GDP.

These impacts are summarized below in Table 1. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 1: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	13	\$0.7	\$1.1	\$2.1
Indirect Effect	4	\$0.2	\$0.3	\$0.5
Total Effect	17	\$0.9	\$1.4	\$2.6

Most of the activity reflected in Table 1 will occur during a three-month construction period expected to begin in June 2016. The anticipated wage rates for construction jobs are shown below in Table 2. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 2: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.21
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island DLT, Occupational Employment Statistics, 2014

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 would be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

Appleseed estimates that when the Company's 35 new jobs are fully phased in (which is expected to occur in 2018), they will directly and indirectly account for:

- 54 full-time equivalent jobs in Rhode Island;
- Approximately \$4.8 million in annual earnings (in 2016 dollars);
- \$17.6 million in annual statewide economic output;
- A projected gross increase of \$2.2 million in personal income taxes paid to the State during a commitment period of not less than twelve years (in addition to the \$35,000 in personal income tax revenues cited above that would be generated by spending on construction); and
- An increase of \$7.0 million in Rhode Island's annual GDP.

Table 3: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	35	\$3.3	\$4.8	\$13.9
Indirect Effect	19	\$1.5	\$2.2	\$3.7
Total Effect	54	\$4.8	\$7.0	\$17.6

Benefits

Benefits provided in conjunction with the newly-created jobs would include health insurance; health care and dependent care flexible spending accounts; long-term disability and life insurance; a 401k plan, and other benefits.

Hiring

After new positions are approved, job descriptions, recruiting plans and selection criteria will be developed. A.T. Cross will post positions internally for ten days, and then post them externally at Cross.com, on LinkedIn and on local job boards.

Impact

The state fiscal impact of the requested incentives and state sales and use tax exemption is up to \$1.9 million in foregone state revenue, including the value of the \$200,000 grant cited above. Direct and indirect economic and fiscal benefits of the proposed project include an estimated \$7.0 million increase in Rhode Island's annual GDP; the associated job creation; and a gross

increase of approximately \$2.2 million in personal income tax revenues directly and indirectly generated by the project during construction and during a twelve-year commitment period.

In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in other ways.

- Relocation to more compact space in Providence will help the State retain a company that has operated in Rhode Island since 1846, along with 105 existing, high-quality jobs.
- A.T. Cross is also planning to have its distribution service provider relocate its operations from Franklin, Massachusetts to Warwick, Rhode Island. This move will bring 7 to 8 full-time jobs to Rhode Island, along with 50 temporary/seasonal jobs. Cross would also take about 12,000 square feet at the Warwick location for its R&D model shop and its service and repair operations.

Based upon the foregoing analysis, the Corporation anticipates that the issuance of the tax credits will have a positive impact on the State's revenues, as indicated in the estimate of net income tax revenues provided above. Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly. As the Qualified Jobs tax credit amounts are limited to reasonably expected W-2 withholdings for the new, directly-created jobs, any potential exposure for State taxpayers, or any other foreseeable negative contingency, is limited.

Ivory Ella, LLC

89 Tom Harvey Rd., Westerly, RI 02891

Rhode Island Commerce Corporation
Qualified Jobs Incentive Tax Credits – Economic Impact Analysis

Ivory Ella, LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Job Incentive tax credits to Ivory Ella, LLC (the “Company”), an apparel and accessory product design, manufacturing and e-commerce company headquartered in Connecticut. The credits would be issued in connection with the Company’s proposed relocation of its manufacturing, storage and fulfillment operations from three locations in Connecticut to leased space at 89 Tom Harvey Road in Westerly. The proposed relocation would bring to Rhode Island 19 existing (but new to Rhode Island) jobs. The Company expects to add 11 more jobs at its new location between 2016 and 2018. The median annual salary for the jobs to be located to Rhode Island and those to be created is \$50,000. None of the jobs to be relocated or created would pay less than \$40,000.

The Company donates 10 percent of its net profits to Save the Elephants.

The Company’s initial lease at 89 Tom Harvey Road will be for five years. The Company is requesting a Qualified Jobs Incentive Tax Credit totaling \$362,055 over five years, with a commitment period of six years.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

The Company estimates that it will spend approximately \$250,000 to build out and equip its leased space in Westerly. Appleseed estimates that this spending will directly and indirectly generate:

- 1.3 person-years¹ of work in Rhode Island;
- More than \$76,000 in earnings;
- More than \$197,000 in State-wide economic output²;

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.

- A projected one-time increase of nearly \$2,900 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$118,000 in Rhode Island's GDP.

Annual operations

The Company states that it will relocate 19 jobs from Connecticut to Westerly in 2016, and hire 3 additional employees in 2016, 7 in 2017 and 1 in 2018. Annual salaries for the existing and new jobs will range from \$40,000 to \$150,000, with a median of \$50,000.

Based on these estimates, Appleseed projects (as shown below in Table 1) that by 2018 operations associated with the Company's relocated and newly-created jobs would directly and indirectly account for:

- 43 full-time equivalent jobs in Rhode Island;
- More than \$2.7 million in annual earnings (in 2018 dollars);
- More than \$8.2 million in annual statewide economic output;
- A projected net increase³ of more than \$25,000 in personal income taxes paid annually to the State; (in addition to the \$2,900 in personal income tax revenues cited above that would be generated by spending on building out and equipping the newly- leased space); and
- An increase of more than \$5.3 million in Rhode Island's annual GDP.

Table 1: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	30	\$2.0	\$3.9	\$6.0
Indirect Effect	13	\$0.7	\$1.4	\$2.2
Total Effect	43	\$2.7	\$5.3	\$8.2

Benefits

In addition to the salaries cited above, the Sponsor covers 80 percent of the cost of a health insurance plan for employees and their families, 80 percent of the cost of a vision care plan and

³ This does not include the value of the income taxes generated in 2018 for the 30 new jobs created by Ivory Ella, as those income taxes will be offset by the tax credit paid to Ivory Ella under the Act.

90 percent of the cost of a dental plan. Other benefits include a \$50,000 employer-paid life insurance policy.

Hiring

The Company currently hires from southeastern Connecticut and southern Rhode Island and intends to continue this practice. The Company is also planning to hire students from the Rhode Island School of Design as interns, with the expectation that some may transition into regular employment.

Impact

The state fiscal impact of the requested tax credits is up to \$362,055 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated state GDP increase of \$5.3 million, the associated job creation, a gross increase of approximately \$585,000 in personal income tax revenues directly and indirectly generated by the project during the build-out of the Company's space and during a six-year commitment period. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in other ways.

- Continue growth in design and manufacturing.
- Highlight Rhode Island's ability to attract growing Internet-based businesses.

Based upon the foregoing analysis, the Corporation anticipates that the issuance of the tax credits will have a positive impact on the State's revenues, as indicated in the estimate of net income tax revenues provided above. Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly. As the Qualified Jobs tax credit amounts are limited to reasonably expected W-2 withholdings for the new, directly-created jobs, any potential exposure for State taxpayers, or any other foreseeable negative contingency, is limited.

Ocean State Job Lot

375 Commerce Park Rd., North Kingstown, RI 02852

Rhode Island Commerce Corporation

Rebuild Rhode Island and Qualified Job Tax Credits – Economic Impact Analysis

Ocean State Jobbers Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island and Qualified Job Incentive tax credits to Ocean State Jobbers Inc, A & M Special Purchasing Inc and Zakopane Real Estate LLC (collectively the “Sponsor”), which together represent the corporate headquarters and distribution center for Ocean State Job Lot, a chain of 123 retail stores operating in the northeastern U.S. The credits would be issued in connection with the Sponsor’s decision to invest in the expansion of its existing headquarters and distribution operations in North Kingstown. The project will result directly in the creation of 178 new jobs over a four-year period, including 125 jobs with annual wages exceeding Rhode Island’s current median annual wage (\$39,042), and will indirectly support 54 full-time-equivalent jobs elsewhere in Rhode Island. The total cost of the proposed project is estimated to be \$49.1 million.

The Company is requesting Rebuild Rhode Island tax credits of \$3,100,000, and Qualified Jobs tax credits of \$3,230,190. The Company is also eligible for a sales tax exemption associated with the project’s eligible construction materials, furnishings and equipment costs, estimated to be approximately \$1.5 million.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown below in Table 1, the Company’s estimate of the total cost of the proposed expansion is \$49.1 million.

Table 1: Estimated cost of the Company’s proposed expansion

Component	Estimated cost (\$mm)
Land	\$1.8
Site work	\$2.2
Building construction	\$27.1
Fixtures and equipment	\$17.9
Total	\$49.1

For purposes of this analysis we count only site work, building construction and the local labor component of the cost of fixtures and equipment (\$3.1 million) as having a direct impact on

Rhode Island's economy. Appleseed estimates that these expenditures, totaling \$32.5 million, will directly and indirectly generate:

- 247 person-years¹ of work in Rhode Island;
- Approximately \$14.1 million in earnings;
- \$40.9 million in State-wide economic output²;
- A projected one-time increase of approximately \$954,000 in taxes paid to the State during construction including approximately:
 - \$530,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;;
 - \$231,000 in state sales taxes paid on those workers' taxable household spending;
 - \$193,000 in state business corporation taxes; and
- A one-time increase of \$21.3 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	190	\$11.0	\$16.3	\$32.5
Indirect Effect	57	\$3.1	\$5.0	\$8.4
Total Effect	247	\$14.1	\$21.3	\$40.9

Most of the activity reflected in Table 2 will occur during a one-year construction period beginning no later than December 2016. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs would be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

Appleseed estimates that when the Sponsor's expansion is fully phased in (which is expected to occur in 2019), it will directly and indirectly account for:

- 232 full-time equivalent jobs in Rhode Island.
- Approximately \$13.3 million in annual earnings (in 2016 dollars).
- \$30.5 million in annual State-wide economic output.
- A projected gross increase of more than \$8.1 million in taxes paid to the State during a commitment period of not less than twelve years (in addition to the \$954,000 in tax revenues cited above that would be generated by spending on construction). These taxes will include approximately:
 - \$5.2 million in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;;
 - \$2.3 million in state sales taxes paid on those workers' taxable household spending;
 - \$657,000 in state business corporation taxes.
- An increase of \$17.5 million in Rhode Island's annual GDP.

Table 4: Direct and indirect impact of annual operations (employment in FTE; income, value-added and output in millions of 2016 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	178	\$10.3	\$12.3	\$22.0
Indirect Effect	54	\$3.0	\$5.2	\$8.5
Total Effect	232	\$13.3	\$17.5	\$30.5

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, May 2015.

Expected 2017 median salary across the 125 new jobs directly created by the Company is approximately \$47,000.

Workers who fill these jobs would be drawn primarily from the Providence-Warwick RI-MA NECTA.

Benefits

Benefits provided in conjunction with the newly-created jobs would include health insurance; flexible spending and dependent spending accounts; accident, disability and life insurance; medical, maternity, adoption and other leaves of absence; an unmatched 401k plan; tuition reimbursement; store discounts and other benefits.

Hiring

The Sponsor has a well-defined process for posting new positions both internally and externally. All open positions are posted on its website and on job boards such as Monster.com and Beyond.com. New hires begin their careers with an orientation and a structured on-boarding, and continue thereafter to have access to OSJL's career development programs.

Impact

The state fiscal impact of the requested tax credits and state sales and use tax exemption is up to \$7.8 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated \$17.5 million increase in Rhode Island's annual GDP; and a gross increase of \$9.1 million in personal income, sales and business corporation tax revenues directly and indirectly generated by the project during construction and during a twelve-year commitment period.

In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in other ways.

- Preparation of the site has involved remediation and demolition of three old structures that contained hazardous materials, and removal of abandoned utilities.
- New provisions for stormwater management will reduce runoff and improve water quality.
- The project will add to North Kingstown's tax base.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e. the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.

Appendix C:

[Tax Increment Financing](#) Economic Impact Analyses

[R.I.G.L. § 42-64.21-8](#)

1. Exchange Street Hotel LLC 5 Exchange St., Providence, RI
2. D'Ambra Warwick Hotel, LLC 800 Jefferson Blvd., Warwick, RI

Exchange Street Hotel LLC
5 Exchange St., Providence, RI

Rhode Island Commerce Corporation
Tax Increment Financing – Economic Impact Analysis
Exchange Street Hotel LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) is exempting Exchange Street Hotel LLC (the “Sponsor”) from 75% of the state sales tax and 18% of the state hotel tax (“TIF”). The incentive would be issued in connection with the Sponsor’s decision to invest in the development of a new Homewood Suites by Hilton Hotel – a 120-room, extended-stay hotel, to be located on Exchange Street in Providence. The total cost of the proposed project is estimated to be more than \$24.5 million.

The Sponsor is requesting a TIF in an amount equal to the financing gap for the project, which is expected to be satisfied through the use of \$3.0 million in tax increment financing from the Sponsor’s lender.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$24.5 million.

Table 1: Estimated total project cost (in \$ millions)	
Component	Estimated cost
Land acquisition	\$1.0
Architecture and engineering	\$0.5
Site work and soil improvement	\$0.8
Building construction (hard cost)	\$18.0
Fixtures, furnishings & equipment	\$2.0
Parking garage lifts	\$0.3
Interest costs	\$0.5
Other soft costs	\$1.0
Developer’s overhead and fee	\$0.4
Total	\$24.5

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island’s economy (such as land and interest costs), the remaining hard and soft costs total approximately \$22.5 million. Appleseed estimates that direct expenditures of \$22.5 million will directly and indirectly generate:

- 161 person-years¹ of work in Rhode Island;
- \$9.3 million in earnings;
- Nearly \$26.4 million in statewide economic output²;
- A projected one-time increase of approximately \$348,000 in personal income taxes paid to the State during construction; and
- A one-time increase of \$14.0 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	122	\$7.2	\$10.7	\$20.8
Indirect Effect	39	2.1	3.4	5.6
Total Effect	161	\$9.3	\$14.1	\$26.4

Most of the activity reflected in Table 2 is expected to occur in 2017. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$41.70
Construction manager	\$52.12
Carpenter	\$19.70
Electrician	\$23.71
Plumber	\$24.03
Painter	\$16.07
Laborer	\$16.77

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014.

Annual operations

After construction is completed, ongoing operations will include:

- Operation of the hotel itself; and
- The operations of a business (which for purposes of this analysis we assume to be a full-service restaurant) occupying the proposed 3,000 square-foot ground-floor commercial space.

The Sponsor estimates that 48 people (32 full-time and 16 part-time, assumed to equal 40 full-time-equivalent jobs) will be employed in the operation of the hotel. Appleseed estimates that a 3,000 square-foot ground-floor restaurant would have 21 full-time-equivalent (FTE) employees.

Based on these estimates, Appleseed projects (as shown below in Table 4), that when the hotel and ground-floor commercial space are completed and fully operational (which is assumed to occur in 2017), it will directly and indirectly account for:

- 70 FTE jobs in Rhode Island;
- Approximately \$2.3 million in annual earnings (in 2017 dollars);
- Nearly \$6.8 million in annual statewide economic output;
- An increase of approximately \$87,000 in personal income taxes paid annually to the State; and
- An increase of approximately \$4.3 million in Rhode Island's annual GDP.

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	61	\$1.8	\$3.5	\$5.4
Indirect Effect	9	0.5	0.8	1.4
Total Effect	70	\$2.4	\$4.3	\$6.8

Workers who fill jobs at the hotel and restaurant are expected to be drawn primarily from neighborhoods in Providence and from other nearby communities.

Impact

The state fiscal impact of the requested tax increment financing is that portion of the eligible incremental tax revenues generated by the project that will be directed to the Sponsor. Specifically, the revenues dedicated to the Sponsor will be 75% of the sales tax generated and 18% of the hotel tax generated by the project during the life of the TIF Agreement, which shall not exceed 20 years. Those funds are directed to the Sponsor to enable it to secure the financing necessary to close the financing gap on the project and bring it to fruition. The State will collect the balance of the sales and hotel occupancy tax revenue not directed to the Sponsor.

Direct and indirect economic and fiscal benefits of the proposed project include the estimated annual state GDP increase of \$4.3 million, the estimated associated job creation, and the gross increase of nearly \$1.4 million in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Redevelop and reactivate a long-vacant site in Providence's Capital Center area;
- Support the continued growth in the number of visitors to Rhode Island;
- Create employment opportunities for Rhode Island residents; and
- Increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the incentives will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the incentives are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the incentives to be paid will be reduced accordingly.

D'Ambra Warwick Hotel, LLC
800 Jefferson Blvd., Wawick, RI

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
D’Ambra Warwick Hotel LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to D’Ambra Warwick Hotel LLC (the “Sponsor”), an entity controlled by Michael D’Ambra, founder of D’Ambra Construction Company of Warwick. The credits would be issued in connection with the Sponsor’s decision to invest in the development of a new, 120-room Hyatt Place Hotel at 800 Jefferson Boulevard in Warwick. The total cost of the proposed project is estimated to be slightly more than \$23.8 million.

The Sponsor is requesting a Rebuild Rhode Island Tax Credit of \$1,366,991, and a sales and use tax exemption on eligible construction and build-out costs, estimated at \$345,000. If the actual value of the sales and use tax exemption exceeds this estimate, the amount of the Rebuild Rhode Island Tax Credit shall be reduced by the amount of the exemption in excess of \$345,000.

The Sponsor is also seeking tax increment financing totaling \$3.5 million, with the TIF loan(s) to be repaid from the stream of state sales and hotel tax revenues that the operations of the hotel would generate over a twenty-year period.

This analysis was prepared by Appleseed, a consulting firm with more than twenty years of experience in economic impact analysis.

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$23.8 million.

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

Component	Estimated cost
Property acquisition	\$2.2
Building construction (hard cost)	\$16.5
Other construction costs	\$1.3
Furnishings, fixtures & equipment	\$2.0
Financing	\$0.5
Other costs	\$1.3
Total	\$23.8

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as land acquisition and interest costs), the remaining hard and soft costs total \$21.1 million. Appleseed estimates that direct expenditures of \$21.1 million will directly and indirectly generate:

- 147 person-years¹ of work in Rhode Island;
- \$8.6 million in earnings;
- Nearly \$24.7 million in statewide economic output²;
- A projected one-time increase of approximately \$323,000 in personal income taxes paid to the State during construction; and
- A one-time increase of nearly \$13.0 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the company's direct spending on design and construction. Its *indirect impact* is the effect of spending by contractors for goods and services (insurance, construction materials, etc) purchased from other Rhode Island businesses.

Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2017 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	111	\$6.7	\$9.8	\$19.5
Indirect Effect	36	1.9	3.2	5.2
Total Effect	147	\$8.6	\$13.0	\$24.7

Most of the activity reflected in Table 2 is expected to occur between mid-2016 and mid-2017. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island as of May 2015.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ³
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

¹ A person-year is equivalent to the time worked by one person who is employed full-time for a year. For example, it could represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

² Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2014

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

The Sponsor states that when it is completed and fully operational (expected to occur in the fall of 2017), the proposed hotel will employ 26 people in jobs ranging from general manager, front office manager and sales manager to room attendants and bell persons. Using IMPLAN, Appleseed estimates that the hotel will directly and indirectly account for:

- 32 FTE jobs in Rhode Island;
- Approximately \$1.4 million in annual earnings (in 2018 dollars);
- Approximately \$4.6 million in annual statewide economic output (in 2018 dollars);
- An increase of approximately \$54,000 in personal income taxes paid annually to the State; and
- An increase of nearly \$3.0 million in Rhode Island's annual GDP.

Table 4: Direct and indirect annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2018 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	26	\$1.1	\$2.4	\$3.7
Indirect Effect	6	0.3	0.6	0.9
Total Effect	32	\$1.4	\$3.0	\$4.6

Workers who fill managerial jobs at the new hotel are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA). Housekeeping, service and maintenance workers are likely to be drawn primarily from Warwick or from other nearby communities.

Impact

The state fiscal impact of the requested tax credits is up to \$1,366,991 in foregone state revenue. The state would also forego hotel tax revenues that will be used to repay the proposed TIF loan(s). Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$3.0 million in annual state GDP, the estimated associated job creation, and the gross increase of approximately \$971,000 in personal income tax revenues during the construction phase and ongoing operations during the twelve years following the completion of

the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Increase the supply of hotel rooms that are available in the area around T.F. Green Airport, increasing customer service during periods of inclement weather.
- Make the hotel easily accessible for people traveling through the airport, via a new ground-level connection between the hotel to an existing airport parking garage.
- Substantially increase local real property tax revenues.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly.