

RHODE ISLAND COMMERCE CORPORATION

AGENDA

January 28, 2019

Call to order and opening remarks.

- Tab 1: To consider the approval of meeting minutes for the meeting held December 17, 2018.
- Tab 2: To consider Custom and Miller Box Company for an award under the Qualified Jobs Incentive Tax Credit program.*
- Tab 3: To consider BAC CVP Aloft LLC for an award under the Rebuild Rhode Island Tax Credit Program and the Tax Increment Financing program.*
- Tab 4: To consider for approval Innovation Vouchers.*
- Tab 5: To consider for approval the budget of the Corporation.
- Tab 6: To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

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

TAB 1

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

JANUARY 28, 2019

APPROVED

VOTED: To approve meeting minutes for the meeting held December 17, 2018 as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION

**MEETING OF DIRECTORS
PUBLIC SESSION
December 17, 2018**

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on December 17, 2018, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, and Ronald O'Hanley.

Also present were: Secretary of Commerce Stefan Pryor; Jesse Saglio, President & COO; and Thomas E. Carlotto.

1. CALL TO ORDER AND OPENING REMARKS.

Governor Raimondo called the meeting to order at 5:09, indicating that a quorum was present.

2. TO CONSIDER THE MEETING MINUTES FOR THE MEETING HELD ON NOVEMBER 19, 2018.

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

VOTED: To approve meeting minutes for the meeting held November 19, 2018 as presented to the Board.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

3. TO CONSIDER AN AMENDMENT TO THE CITY OF NEWPORT UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.

Jeff Miller, Executive Vice President of Investments, explained that before the Board was a proposed amendment to an award given in November, 2016 to a Rebuild Rhode Island project in Newport, Rhode Island, referred to as “Innovate Newport.” He noted that construction on the project did not begin until the spring of 2018, which delay is one reason for the proposed amendment. Mr. Miller stated that Innovate Newport is a 30,000 square-foot co-working office space in Newport’s Sheffield School. He noted that the City of Newport, the local chamber of commerce, and the Economic Development Foundation of Rhode Island were the project’s sponsors.

Mr. Miller recounted that the Board originally authorized \$2.1 million in Rebuild Rhode Island tax credits in relation to the project’s total cost of approximately \$7 million; however, since then the project’s total costs have increased by \$1.2 million as a result of the delayed start, an increase in hard costs, and a change in scope, which cumulatively account for the approximate \$1 million increase. As a result, Mr. Miller explained, Newport has sought an additional \$250,000 in tax credits. He indicated that Newport will pay the remaining increased costs, and that the project is anticipated to open on March 1, 2019. Mr. Miller noted the presence of Scott Gibbs, a representative of the Economic Development Foundation of Rhode Island.

Secretary Pryor commended Mr. Gibbs on the success of the project so far. Mr. Gibbs commented that all of the office space is subject to letters of intent, and one space is under a lease. He also noted that marketing for the project has just begun, and that the project has executed a partnership agreement with Workbar Boston. In response to a question by Ms. Toledo-Vickers, Mr. Gibbs responded the project is anticipated to receive temporary occupancy permit on February 15, 2019, and is expected to open for occupancy on March 1, 2019. He further stated that the project encountered some unexpected structural issues that were discovered when construction began and unanticipated issues with the repair of an elevator , contributing to the delay. . Mr. Gibbs stated that no additional delays are expected.

Ms. Toledo-Vickers indicated that the project was reviewed by the Investment Committee, which thought that the project was very worthwhile and a good way to reuse an old, unused school building. Mr. Toledo-Vickers stated that the project fits into the Corporation’s efforts to foster innovation, business development, and environments for small businesses to collaborate and succeed.

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

VOTED: To approve an amendment to the award to the City of Newport under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

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

4. TO CONSIDER A NETWORK MATCHING GRANT FOR MASSCHALLENGE.

Secretary Pryor stated that Mike Schuman, from MassChallenge, was present. Christine Smith, Managing Director of Innovation, stated that before the Board for approval was a grant to MassChallenge in the amount of \$150,000 under the Network Matching Grant program. Ms. Smith recounted that the Board previously made a grant to MassChallenge to fund the first year of a three-year MassChallenge Rhode Island Program. Ms. Smith explained that MassChallenge was founded in 2010 and provides training to high potential entrepreneurs. Ms. Smith described MassChallenge's model, which is community driven and allows for corporate and stakeholder engagement in the community. She explained that the program not only offers a benefit to entrepreneurs through coaching, but also aligns the community more closely the entrepreneurs. She noted that MassChallenge was launched in Rhode Island in 2018, and the program received more applications than expected. Ms. Smith explained that the grant before the Board for approval was expected as part of the three-year plan and will be used to help fund a second year of the MassChallenge Rhode Island program.

Mr. Hebert inquired as to the types of companies participating in MassChallenge. Ms. Smith responded that participants include early stage companies, and companies that received funding or Innovation Vouchers from the Corporation, among others. She further stated that MassChallenge Rhode Island leverages its proximity to Boston, so while it offers Rhode Island-specific training, Rhode Island companies can attend parallel programming in Boston. In response to additional questions by Mr. Hebert, Ms. Smith affirmed that twenty-six companies participated in the first year of MassChallenge Rhode Island, and that after one year, the companies can still participate in MassChallenge or seek resources from the Corporation. Secretary Pryor indicated that MassChallenge will attract private venture capital and other investors and serve as an incubator for major local companies and universities. In response to a question by Mr. Wadensten, Ms. Smith indicated that the Innovation Initiative funds the Innovation Vouchers program and the Network Matching Grant program.

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

VOTED: To approve a Network Matching Grant to MassChallenge pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: none.

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

5. TO CONSIDER THE ENGAGEMENT OF HILLVIEW PARTNERS, LLC TO PROVIDE ADVISORY SERVICES IN RELATION TO OPPORTUNITY ZONES.

Governor Raimondo gave a general overview of the opportunity zone program. She explained that opportunity zones derive from recent federal tax changes that extend preferential treatment to capital gains that are reinvested in low income census tracts. However, she explained, the tax benefit declines rapidly over time; therefore, within the next eighteen months, a large amount of capital will flow into opportunity zones.

Secretary Pryor explained that under the opportunity zones program, if an investor makes and holds an investment in an opportunity zone fund using capital gains for five years, then that investor is eligible to receive a ten percent increase in its taxable basis for that investment. He further explained that an investor will receive an additional five percent basis step up if the investment in the opportunity zone fund is held for seven years; and if the investment is held for ten years, then the appreciation of the investment in the opportunity zone fund is not taxed. Secretary Pryor indicated that staff has been meeting with other states to determine how to ensure that the program works for both real estate investments and operating businesses. He stated that the Corporation has already launched a website that explains the opportunity zones program and identifies Rhode Island's opportunity zones, which is located at rhodeislandopportunity.com.

Secretary Pryor indicated that before the Board for approval was the engagement of Hill View Partners ("Hill View"), a financial consulting firm located in Rhode Island, for advisory services relative to opportunity zones. Arthur Petropoulos, a representative of Hill View, explained his background and detailed the steps taken to market the program and the benefits of participation. Secretary Pryor explained that a request for proposals was conducted and Hill View was the successful bidder. He explained that Hill View's proposed engagement is up to \$90,000, with an available extension for up to an additional \$50,000.

In response to a question by Mr. McNally, Secretary Pryor responded that Rhode Island has twenty-five opportunity zones. Mr. Wadensten inquired as to whether the municipalities can approve projects fast enough for the opportunity zones benefit. Secretary Pryor responded that the Corporation is reviewing ways to assist the municipalities in that process.

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

VOTED: To approve the selection of a vendor to perform advisory services pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: none.

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

6. TO PROVIDE CONSENT FOR A SOLAR PROJECT ON A PORTION OF THE PROPERTY LEASED TO FIDELITY, WHICH IS LOCATED IN SMITHFIELD.

Mr. Saglio explained that the Corporation is the owner of the land upon which Fidelity's Smithfield campus is built. He indicated that Fidelity is attempting to build a solar facility costing approximately \$7 million on the land, which requires the Corporation's consent. He noted that the Town of Smithfield supports the proposed solar project, and that two representatives from Fidelity were present.

In response to a question by Mr. Wadensten, Mr. Saglio stated that Fidelity has the option to buy the land for either a nominal cost upon the full repayment of the bonds, or at any time for the balance of such bonds at the time. Mr. Wadensten questioned whether the Corporation would own the solar project if Fidelity did not purchase the land, and Mr. Saglio answered in the affirmative. In response to a question by Mr. Hebert, Mr. Saglio responded that Smithfield supports the solar facility, and that the solar facility requires no clear cutting of trees and is not very visible. Ms. Toledo-Vickers noted that the solar project will also include landscaping, which a representative from Fidelity described as including the restoration of historic stone walls, among other things.

Upon motion duly made by Mr. Nee and seconded by Dr. Carriuolo the following vote was adopted:

VOTED: To consent to a solar project on a portion of the property leased to Fidelity pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Nancy Carriuolo, Tim Hebert, Mary Lovejoy, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Voting against the foregoing were: none.

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

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:40 p.m. upon motion made by Mr. Wadensten and seconded by Ms. Toledo-Vickers.

Thomas E. Carlotto, Secretary

PUBLIC SESSION MEETING MINUTES DECEMBER 17, 2018

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Rhode Island Commerce Corporation will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **December 17, 2018** beginning at **5:00 p.m.**, for the following purposes:

PUBLIC SESSION

1. Call to order and opening remarks.
2. To consider for approval meeting minutes.
3. To consider an amendment to the award to the City of Newport under the Rebuild Rhode Island Tax Credit program.*
4. To consider a Network Matching Grant for MassChallenge.*
5. To consider the engagement of Hillview Partners, LLC to provide advisory services in relation to Opportunity Zones.
6. To provide consent for a solar project on a portion of the property leased to Fidelity, which is located in Smithfield.
7. To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

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

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

Shechtman Halperin Savage, LLP,
Counsel to the Corporation

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

Dated: December 13, 2018

PUBLIC SESSION MEETING MINUTES DECEMBER 17, 2018

EXHIBIT B

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT
December 17, 2017

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

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

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

WHEREAS: On November 21, 2016, the Corporation approved an application from the City of Newport (together with its nominee or an assignee, the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a commercial project (the “Project”) located at 513 Broadway, Newport, RI;

WHEREAS: After additional vetting and due diligence, the Recipient has provided the Corporation with information evidencing an increased financial gap;

WHEREAS: The Corporation’s Investment Committee has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of additional tax credits; and

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves the issuance of tax credits in an amount not to exceed Two Million Three Hundred Seventy-Eight Thousand One Hundred Twenty-Three Dollars (\$2,378,123).
2. The authorization provided herein is subject to the following conditions:

- a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act, and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of Certification of any award of tax credits to the Recipient; and
 - c. Such additional terms and conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (iv) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (v) the total amount of Tax Credits awarded for the Project is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (vi) the Project includes Adaptive Reuse and is a Recognized Historic Structure in accordance with Rule 7(b)(1) and tax credits in the amount of Nine Hundred Fifty-Nine Thousand Three Hundred Seventy-Five Dollars (\$959,375) are allocable to this criteria; (vii) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (viii) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (ix) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (x) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Commercial Project.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is

hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Jesse Saglio, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: December 17, 2018

The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve an award of incentives which will either take the form of tax credits or a loan pursuant to the Rebuild Rhode Island Tax Credit program. The recommendation is as follows:

- To consider the amended application of the City of Newport for tax credits of \$2,378,123 for a commercial project.

This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.20-6, of the following:

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*

EXHIBIT 2



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430

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

To: Board of Directors, Rhode Island Commerce Corporation

Re: Rebuild Rhode Island Tax Credit Applications

Date: December 17, 2018

The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors (the "Board") one amended projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an additional amount not to exceed \$250,000.00. That recommendation is as follows:

1. That the application submitted by the City of Newport be approved for tax credits in a maximum amount of \$2,378,123.00, which represents a \$250,000.00 increase in tax credits from the amount approved on November 21, 2016.

As of November 19, 2018, the Corporation had approved tax credits and/or loans under the program in the amount of \$111,054,827.92. The approval of an additional \$250,000.00 in tax credits would bring the cumulative total of approved credits and/or loans to \$111,304,827.92. Currently \$49.7 million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits and/or loans that are proposed for approval. As a result, OMB confirms that the additional amount of credits and/or loans proposed above, i.e. \$250,000.00, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits and/or loans, the aggregate credits and/or loans approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits and/or loans allowed under the program.

Furthermore, based on information provided by the Corporation staff concerning the anticipated completion schedule of the projects that are the subject of these applications and the likely distribution of credits and/or loan proceeds over the five-year payment period, OMB anticipates the budget impact to the state of the credits and/or loans, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

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

EXHIBIT 3

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Economic Development Foundation of Rhode Island Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island Tax Credits to the Economic Development Foundation of Rhode Island (the “Sponsor”). The credits would be issued in connection with Sponsor’s proposed investment in Innovate Newport, a project that entails redevelopment of a 33,974 square-foot former public school in Newport for use by entrepreneurs and other small businesses.

The Sponsor estimates the total cost of project to be approximately \$8.3 million.

The Sponsor is requesting Rebuild Rhode Island Tax Credits totaling \$2,140,311 net (\$2,378,123 gross). Because the Sponsor is a tax-exempt organization, the project is not eligible for an exemption from sales and use taxes.

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 \$8.3 million.

Table 1: Innovate Newport estimated total project cost (\$ millions)

Component	Estimated cost
Land and building acquisition	\$0.8
Construction (hard costs)	6.6
Soft costs	0.9
Total	\$8.3

After excluding the cost of property acquisition (an expenditure that does not have a direct, current impact on Rhode Island’s economy), spending on construction (both hard and soft

costs) is estimated to total approximately \$7.5 million. Appleseed estimates that direct expenditures of approximately \$7.5 million will directly and indirectly generate:

- 53 person-years¹ of work in Rhode Island, with \$3.2 million in earnings;
- Approximately \$9.2 million in statewide economic output²; and
- A one-time increase of \$5.3 million in Rhode Island's GDP.

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

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

	Employment	Earnings	Value added	Output
Direct Effect	40	\$2.5	\$3.7	\$7.3
Indirect Effect	13	\$0.7	\$1.6	\$1.9
Total Effect	53	\$3.2	\$5.3	\$9.2

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$7.5 million would generate a projected one-time increase of approximately \$189,000 in taxes paid to the State during construction, including:

- \$121,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$53,000 in state sales taxes paid on those workers' taxable household spending;
- \$15,000 in state business corporation taxes

Most of the activity reflected in Table 2 will occur during 2019 and 2020. The anticipated wage rates for construction jobs are shown below in Table 3. Because the project would be financed in part with funding from the U.S. Economic Development Administration, the project would be subject to the Davis-Bacon Act. Anticipated wage rates are Davis-Bacon prevailing wages 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	Davis-Bacon hourly wage
Carpenter	\$35.28
Electrician	\$39.31
Plumber	\$42.04
Painter	\$33.62

Fringe benefits associated with these jobs are expected to be in accordance with Davis-Bacon requirements. 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 through a combination of co-working space and offices the proposed facility will provide work space for 130 people. Based on information provided by the Sponsor, we assume that co-working members and office tenants will represent a mix of scientific research and development, computer systems design, customized computer programming, and environmental and technical consulting services. Based on information provided by the sponsor, we further estimate that 2 workers will be employed in management, operations and maintenance of the facility.

Based on these assumptions, Appleseed estimates (as shown below in Table 4) that when the project is completed and fully occupied (which is assumed to occur in 2020), it will directly and indirectly account for:

- 186 full-time equivalent jobs in Rhode Island, with approximately \$12.8 million in annual earnings (in 2020 dollars);
- \$26.8 million in annual statewide economic output; and
- An increase of \$15.5 million in Rhode Island’s annual GDP.

Table 4: Direct, indirect and impact of annual operations of Innovate Newport (employment in FTE; earnings, value-added and output in millions of 2020 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	132	\$9.7	\$10.5	\$18.7
Indirect Effect	54	\$3.1	5.0	8.1
Total Effect	186	\$12.8	\$15.5	\$26.8

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, the ongoing operations of Innovate Newport would generate a projected gross increase of nearly

\$691,000 in taxes paid annually to the state (in addition to the \$189,000 in state tax revenues cited above that would be generated by spending on construction), including:

- \$481,000 in state personal income taxes paid by Rhode Island workers employed by tenant businesses or in building operations, or whose jobs are indirectly attributable to the project; and
- \$210,000 in state sales taxes paid on those workers' taxable household spending.

Tenant businesses could also generate corporate business tax revenues. However, given that many of the facility's tenants will be solo entrepreneurs or small start-ups, revenues from this source are likely to be minimal.

Workers employed by office-based businesses could be drawn from communities throughout the Providence-Warwick RI-MA NECTA, while co-working members may be more concentrated among residents of Newport and adjoining communities.

Impact

The state fiscal impact of the requested loan is up to \$2.378 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated increase in annual state GDP of \$15.5 million; the associated job creation; and a gross increase of \$8.48 million in personal income and sales tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years following completion of the project.

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

- Support the development of new science and technology-based companies in sectors that are likely to play a major role in the growth of Rhode Island's economy, including oceanography and ocean engineering, defense technology and information security
- Lead to additional job creation over time as companies started at Innovate Newport move out and expand.
- Reinforce the City of Newport's economic development efforts, including the planned Innovation Hub in the City's North End.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In 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 credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the

fact that the credit is capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the credit will be reduced accordingly.

PUBLIC SESSION MEETING MINUTES DECEMBER 17, 2018

EXHIBIT C

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF
INNOVATION NETWORK MATCHING GRANTS
UNDER THE INNOVATION INITIATIVE ACT

December 17, 2018

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.28 of Title 44 of the General Laws of Rhode Island (the “Innovation Act”), as amended, authorizes the Corporation to award Innovation Network Matching Grants (“Grants”) as set forth in the Rules (defined below); and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the program established by the Innovation Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received an application from MassChallenge (the “Recipient”) for an award of a Grant; and

WHEREAS: The Board of Directors of the Corporation (the “Board”) received a presentation detailing the Grant proposed to be granted to Recipient together with a recommendation from the staff of the Corporation to approve the award of Grant to the Recipient in accordance with the Innovation Act and the Rules.

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

RESOLVED:

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves the award of the Grant to the Recipient in the amount of One Hundred Fifty Thousand Dollars (\$150,000) and determines that the awards are granted in compliance with the Grant Application Review and Evaluation Principles adopted by the Corporation.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of a Grant Agreement between the Corporation and the Recipient meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

- b. Verification by the Corporation of compliance with the Eligibility Requirements of the Rules prior to issuance of the Grant; and
 - c. Such additional conditions as any of the Authorized Officers (defined below), acting singly, shall deem appropriate in the sole discretion of such Officer.
- 3. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Innovation Director (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
- 4. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
- 5. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
- 6. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

PUBLIC SESSION MEETING MINUTES DECEMBER 17, 2018

EXHIBIT D

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

December 17, 2018

(With Respect to Advisory Service relating to Opportunity Zones)

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") issued a request for proposals in relation to advisory services relative to Opportunity Zones (the "Services"); and

WHEREAS, the applicants were properly reviewed and qualifications considered, and a recommendation was made to the Board of the Corporation to retain Hillview Partners, LLC (the "Vendor") to provide the Services.

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

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO, and/or Chief Financial Officer acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the Vendor for the Services in an amount not to exceed \$140,000, plus out of pocket expenses at the discretion of such officer.

Section 2: This Resolution shall take effect immediately upon passage.

PUBLIC SESSION MEETING MINUTES DECEMBER 17, 2018

EXHIBIT E

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

December 17, 2018

(With Respect to Consent to a Solar Project)

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") entered into a ground lease with FMR Rhode Island, Inc. ("FMR"), in relation to the development of the Fidelity campus in Smithfield, Rhode Island at property previously known as the Island Woods Commerce Park (the "Property");

WHEREAS, FMR seeks to construct a solar project on the Property;

WHEREAS, FMR must apply to the town of Smithfield for approval of the construction of a solar project on the Property ("Application"); and

WHEREAS, the Application requires the consent of the Corporation.

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

Section 1: That the Corporation consents to FMR's submission of the Application and FMR's construction of a solar project on the Property.

Section 2: This Resolution shall take effect immediately upon passage.

TAB 2

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

JANUARY 28, 2019

APPROVED

VOTED: To approve Custom and Miller Box Company for an award under the Qualified Jobs Incentive Tax Credit program pursuant to the resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE QUALIFIED JOBS TAX CREDIT ACT

January 28, 2019

WHEREAS: The Rhode Island Commerce Corporation (the "Corporation") was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the "State") under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the "Enabling Act"); and

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the "Act"), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to the creation of new jobs in the State; and

WHEREAS: The Corporation received an application for incentives under the Act from Custom and Miller Box Company (together with affiliates, successors and assigns, the "Recipient"), which is anticipated to result in the creation of new full-time jobs in the State; and

WHEREAS: The Corporation's Investment Committee has reviewed and considered the proposed incentives to the Recipient and has voted to recommend to the Board of Directors (the "Board") of the Corporation the approval of the incentives; and

WHEREAS: The Board has received a presentation detailing the proposed incentives together with a recommendation from the staff of the Corporation to approve the issuance of incentives to the Recipient in accordance with the Act.

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

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Act, the Corporation approves the issuance of the following incentives:
 - a. Under the Act, tax credits to the Recipient up to the amount of forty-two (42) jobs not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an incentive agreement between the Corporation and the Recipient meeting the requirements of the Act in such form as one of the

Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

- b. The creation of not less than the minimum required new full-time jobs under the Jobs Act, which earn no less than Fourteen and 43/100 Dollars (\$14.43) a reduction from the median annual wage requirement as the Recipient meets the definition of an Economically Fragile Industry; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (a) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (b) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (c) that the Recipient has demonstrated an intention to create the requisite number of new full-time jobs as required under the Act; and (d) the creation of the new full-time jobs would not occur in the State but for the provision of the tax credits under the Act.
4. Prior to the execution of an incentive agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 1).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Executive Vice President Investment (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in

accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

Rhode Island Commerce Corporation
Qualified Jobs Incentive Tax Credits – Economic Impact Analysis
Custom & Miller Box Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Custom & Miller Box (“the Company”), a subsidiary of Key Container Corporation that manufactures corrugated cardboard containers. The credits would be issued in connection with the Company’s decision to consolidate its existing operations in an existing building located at 60 Delta Drive in Pawtucket. Consolidation at this new location would result in the addition of 42 jobs to the Company’s Rhode Island operations over the next three years. The Company is expected to request Qualified Jobs Incentive tax credits with an estimated value of approximately \$612,000.

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

Jobs Analysis

Annual operations

As noted above, the Company intends to add 42 employees at its new facility during its first three years. Table 1 summarizes the categories in which these jobs will be created (as of 2022), and median earnings for each category.

Table 1: Projected employment, 2022

Job category	New positions (as of 2022)	Median salary
Sales staff	7	\$75,000
Production staff	35	\$30,000
Total	42	\$30,000

Based on data provided by the Company, and using the IMPLAN input-output modeling system, Appleseed estimates that in 2022, ongoing operations associated with the 42 full-time jobs the Company would be committed to adding and maintaining will directly and indirectly support:

- 68 full-time-equivalent (FTE) jobs in Rhode Island;
- \$3.625 million in annual earnings (in 2022 dollars);
- \$20.138 million in statewide economic output; and
- An increase \$5.135 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 2.

Table 2: Direct, indirect and total annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2022 dollars)

	Jobs	Earnings	Value added	Output
Direct	42	\$1.802	\$2.414	\$15.266
Indirect	26	1.823	2.721	4.872
Total	68	\$3.625	\$5.135	\$20.138

In addition to the impacts on employment, earnings, output and state GDP cited above, expansion of the Company's operations in Rhode Island would generate a projected increase of approximately \$212,000 in annual state tax revenues, including:

- \$136,000 in state personal income taxes paid by workers newly employed by the Company in its new operations in Rhode Island, or by Rhode Island workers whose jobs are indirectly attributable to the Company's new facility;
- \$59,000 in state sales taxes paid on those workers' taxable household spending; and
- \$17,000 in state business taxes.

Hiring

Job openings are posted online. Qualified applicants are then selected for interviews, and offers are extended to the most qualified candidates.

Benefits

All Custom & Miller employees are offered health insurance, participation in a 401(k) plan, life insurance, paid vacation and sick days.

Impact

The state fiscal impact of the requested tax credits is estimated to be approximately \$612,000 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$5.1 million in 2022, the estimated associated job creation, and a gross increase of \$2.35 million in personal income, sales and business tax revenues during the twelve-year commitment period beginning in 2020. These benefits are detailed in the foregoing analysis.

In addition to the economic and tax revenue impacts cited above, the Company's consolidation in its new facility would benefit Rhode Island in other ways, including:

- Retaining existing Company jobs that would otherwise have moved out of state
- Contributing to the ongoing process of economic revitalization in Pawtucket, by rehabilitating and reactivating a recently vacated industrial property

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Various features of the Qualified Jobs Incentive program mitigate risk to the state; and the value of Qualified Jobs Incentive tax credits would be determined on the basis of the number of people actually employed and the wages actually paid by the Company.

TAB 3

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

JANUARY 28, 2019

APPROVED

VOTED: To approve BAC CVP Aloft LLC for incentives under the Tax Increment Financing Act and the Rebuild Rhode Island Tax Credit Act pursuant to the resolutions presented to the Board.

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

January 28, 2019

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.20 of Title 42 of the General Laws of Rhode Island (the “Rebuild RI Tax Credit Act”), as amended, authorizes the Corporation to approve the issuance of tax credits in relation to certain development projects in the State; and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the tax credit program established by the Rebuild RI Tax Credit Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received an application for tax credits from BAC CVP Aloft LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a Commercial Project (the “Project”) located at the corner of Dyer Street, Dorrance Street, and Clifford Street in Providence, Rhode Island, which is proposed to consist of a 169-room hotel; and

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed issuance of tax credits and a sales and use tax exemption to the Recipient and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the tax credits and tax exemption; and

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves the issuance of tax credits to the Recipient in an amount not to exceed One Hundred Thousand Dollars (\$100,000) and authorizes a sales and use tax exemption in addition to the tax credits of One Million Five Hundred Thousand

Dollars (\$1,500,000) with any sales and use tax exemption exceeding said amount reducing the tax credits awarded hereunder dollar for dollar.

2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to Certification of any award of tax credits to the Recipient; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (iv) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (v) the total amount of tax credits awarded for the Project is the lesser of twenty (20%) of the total Project Cost or the amount needed to close the Project Financing Gap; (vi) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (vii) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (viii) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (ix) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Mixed-Use Project.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers").

Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Jesse Saglio, President of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: January 28, 2019

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

- To consider the application of BAC CVP Aloft LLC for tax credits of One Hundred Thousand Dollars (\$100,000) for a commercial project.

This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.20-6, of the following:

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*
3. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 2



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
DEPARTMENT OF ADMINISTRATION

OFFICE of MANAGEMENT & BUDGET

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430

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

To: Board of Directors, Rhode Island Commerce Corporation

Re: Rebuild Rhode Island Tax Credit Applications

Date: January 28, 2019

The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors (the "Board") one project for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an additional amount not to exceed \$100,000.00. That recommendation is as follows:

1. That the application submitted by BAC CVP Aloft LLC be approved for tax credits in a maximum amount of \$100,000.00.

As of December 17, 2018, the Corporation had approved tax credits and/or loans under the program in the amount of \$111,304,827.92. The approval of an additional \$100,000.00 in tax credits would bring the cumulative total of approved credits and/or loans \$111,404,827.92. Currently \$49.7 million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits and/or loans that are proposed for approval. As a result, OMB confirms that the additional amount of credits and/or loans proposed above, i.e. \$100,000.00, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits and/or loans, the aggregate credits and/or loans approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits and/or loans allowed under the program.

Furthermore, based on information provided by the Corporation staff concerning the anticipated completion schedule of the projects that are the subject of these applications and the likely distribution of credits and/or loan proceeds over the five-year payment period, OMB anticipates the budget impact to the state of the credits and/or loans, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

The memorandum constitutes OMB's written confirmation pursuant to RIGL § 42-64.20-6(a)(4) and pursuant to 870-RICR-30-00-3.12(A)(3) (Rules and Regulations for the Rebuild Rhode Island Tax Credit Program). Pursuant to RIGL § 42-64.20-5(m), any disbursements to support the redemption of tax credits for 90% of their value are subject to appropriations, and applicants should be notified accordingly.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	Total
<i>Projects Confirmed as of 1/28/23</i>																						
BAC CVP Akoh LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00	\$10,000.00	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00
	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	Total
ALL PROJECTS TOTAL:	\$0.00	\$381,931.80	\$9,546,658.20	\$12,773,436.33	\$36,175,417.13	\$23,115,658.73	\$21,490,325.83	\$13,003,081.30	\$8,950,278.30	\$1,810,127.30	\$7,500.00	\$7,500.00	\$15,000.00	\$12,500.00	\$7,500.00	\$7,500.00	\$22,500.00	\$12,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$117,404,827.82

Notes:
(1) Silver Horse
(2) Amehd
(3) Chestnut Commons
(4) Diversity II

EXHIBIT 3

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
BAC CVP Aloft LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may provide Rebuild Rhode Island tax credits to BAC CVP Aloft LLC (the “Sponsor”). The credits would be provided in connection with the Sponsor’s proposed investment in the development of the Aloft Providence Hotel, a new 169-room select-service hotel that would be located on a site adjacent to the life sciences complex that is being developed in the I-195 Redevelopment District.

The Sponsor estimates the total cost of the project to be \$55.2 million. The Sponsor is requesting Rebuild Rhode Island tax credits totaling \$100,000 (gross), an exemption from sales and use taxes payable on purchases of construction materials, valued at approximately \$1.5 million, and a tax increment financing (TIF) loan of \$6.75 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 in Table 1, the Sponsor’s estimate of total project cost is approximately \$55.2 million.

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

Component	Estimated cost
Property acquisition	\$1.0
Construction (hard costs)	40.2
Soft costs	8.0
Fixtures, furniture and equipment	6.0
Total	\$55.2

After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such property acquisition and interest costs), spending on development of the proposed project is estimated to total approximately \$53.2 million.

Appleseed estimates that direct expenditures of \$53.2 million will directly and indirectly generate:

- 347 person-years¹ of work in Rhode Island, with \$21.8 million in earnings (in 2020 dollars);
- Approximately \$62.9 million in statewide economic output²; and
- A one-time increase of \$33.5 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the Sponsor's direct spending on construction, including both hard and soft costs. 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, indirect and induced impact of construction and related spending (employment in person-years; income, value-added and output in millions of 2020 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	262	\$16.8	\$25.5	\$49.6
Indirect Effect	85	5.0	8.0	\$13.3
Total Effect	347	\$21.8	\$33.5	\$62.9

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$53.2 million would generate a projected one-time increase of approximately \$1.279 in taxes paid to the State during construction, including:

- \$819,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$357,000 in state sales taxes paid on those workers' taxable household spending; and
- \$103,000 in state business taxes.

The activity reflected in Table 2 will occur primarily in 2019 and 2020.

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 2017.

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	\$40.36
Construction manager	\$47.10
Carpenter	\$22.82
Electrician	\$27.42
Plumber	\$27.71
Painter	\$18.85
Laborer	\$19.39

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 Aloft Providence Hotel and its restaurant tenant are assumed to begin operating in late 2020. Based on information provided by the Sponsor, Appleseed estimates that upon stabilization in 2022, the hotel itself will directly employ 63 workers; and the restaurant will directly employ 37.

Based on these projections, we estimate (as shown in Table 4) that in 2022, ongoing operations would directly and indirectly support:

- 118 jobs in Rhode Island, with approximately \$4.9 million in annual earnings (in 2022 dollars);
- \$15.1 million in annual statewide economic output; and
- An increase of nearly \$9.3 million in Rhode Island's annual GDP.

Table 4: Direct, indirect and total impact of building and commercial tenant operations, 2021 (employment in FTE; earnings, value-added and output in millions of 2021 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	100	\$3.8	\$7.5	\$12.0
Indirect Effect	18	1.1	1.8	3.1
Total Effect	118	\$4.9	\$9.3	\$15.1

³ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2017

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, ongoing operations would generate a projected gross increase of approximately \$1.649 million in taxes paid to the state in 2022, including:

- \$1.129 million in state hotel taxes
- \$231,000 on restaurant and bar sales taxes
- \$185,000 in state personal income taxes paid by Rhode Island workers employed by the hotel and restaurant, or whose jobs are indirectly attributable to the operations of those businesses
- \$81,000 in state sales taxes paid on those workers' taxable household spending
- \$23,000 in state business taxes

Workers employed by the hotel and restaurant would be drawn primarily from Providence and surrounding communities.

Impact

The state fiscal impact of the requested tax credit and sales tax exemption is approximately \$1.6 million in foregone state tax revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated increase in annual state GDP (in 2022) of approximately \$9.3 million; the associated job creation; and a gross increase of approximately \$20.969 million in hotel, personal income, sales and business tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years from 2021 through 2032.

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

- By increasing the supply of hotels available to support continued growth in the Innovation District and Downcity Providence
- By creating jobs that will be accessible to workers with a high school education
- By increasing local real property and personal property taxes

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Various features of the Rebuild Rhode Island program mitigate other risks 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 requested tax credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that state's participation would be capped at the amounts set forth above.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS
UNDER THE TAX INCREMENT FINANCING ACT

January 28, 2019

WHEREAS: The Rhode Island Commerce Corporation (the "Corporation") was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the "State") under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the "Act"); and

WHEREAS: Chapter 64.21 of Title 42 of the General Laws of Rhode Island (the "TIF Act"), as amended, authorizes the Corporation to approve the issuance of incentives in relation to certain development projects in the State; and

WHEREAS: The Corporation promulgated rules and regulations (the "Rules") governing the program established by the TIF Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received an application for a "TIF Incentive" from BAC CVP Aloft LLC (the "Recipient") under the TIF Act in relation to a project (the "Project") located at the corners of Dyer Street, Dorrance Street, and Clifford Street in Providence Rhode Island, which is proposed to consist of a 169-room hotel;

WHEREAS: The Corporation's Investment Committee has reviewed and considered the proposed issuance of the TIF Incentive to the Recipient and has voted to recommend to the Board of Directors (the "Board") of the Corporation the approval of the TIF Incentive; and

WHEREAS: The Board of the Corporation received a presentation inclusive of a term sheet detailing the Project and proposed TIF Incentive together with a recommendation from the staff of the Corporation for approval in accordance with the TIF Act and the Rules.

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

RESOLVED:

1. To accomplish the purposes of the Act and the TIF Act, the Corporation approves the issuance of a TIF Incentive to the Recipient as presented to the Board in the principal amount of up to Six Million Seven Hundred Fifty Thousand Dollars (\$6,750,000) payable over up to eighteen years at not more than a rate of interest of ten percent (10%) on the principal amount of the award.

2. The authorization provided herein is further subject to the following conditions:
 - a. The execution of a TIF Agreement between the Corporation and the Recipient meeting the requirements of the TIF Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to any award of a TIF Incentive to the Recipient; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the TIF Act and the Rules; (iv) the total amount of TIF Incentives awarded for the Project is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (v) that the Chief Executive Officer of the Corporation has provided written confirmation required by the TIF Act (a copy of which is annexed hereto as Exhibit 1); (vi) the Secretary of Commerce has provided written confirmation required by the TIF Act (a copy of which is annexed hereto as Exhibit 1); (vii) the applicant is a significant taxpayer and Incremental Revenues may be exempted up to the levels permitted by the TIF Act and the Recipient shall make payments in lieu of taxes of such Incremental Revenues to the Corporation pursuant to Rule 18 of the Rules; (viii) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules.
4. The Department of Revenue has issued a Revenue Increment Base certificate, a copy of which is annexed hereto as Exhibit 2.
5. Prior to the execution of TIF Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
6. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate

the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

7. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
8. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
9. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.


EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Jesse Saglio, President of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Tax Increment Financing Credit Application
Date: January 28, 2019

The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve the application of BAC CVP Aloft LLC (the "Application") for an incentive pursuant to the Tax Increment Financing ("TIF") program. This memo serves as the written confirmation, pursuant to Rhode Island General Laws § 46-64.21-6 and the Rules and Regulations for the Rhode Island Tax Increment Financing Act of 2015 (the "Rules"), of the following:

1. The Corporation's staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The proposed boundaries of the Qualifying TIF Area (as that term is defined in the Rules) shall be limited to that portion of the real property located in Providence upon which the proposed hotel will be constructed as shall be more particularly set forth in an incentive agreement.
3. The length of the TIF agreement shall be 18 years or fewer.
4. The Corporation has determined, in its discretion, that the eligible revenues for purposes of this Application would not exceed the sales and hotel taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws. The percentage of the incremental revenues from those source to be allocated under the TIF agreement shall not exceed 75% of the sales tax assessed and collected in the Qualifying TIF Area and shall not exceed and seventy-five (75%) percent of the Corporation's share of the five percent (5%) hotel tax imposed under RIGL § 44-18-36.1(a) assessed and collected in the Qualifying TIF Area.
5. The project is consistent with the purpose of the Tax Increment Financing Act, R.I. Gen. Laws § 42-64.21-1 *et seq.*

EXHIBIT 2

DOR  Rhode Island Department of Revenue
Division of Taxation

From: Michael Canole, Chief of Examinations MC
Rhode Island Division of Taxation

To: Board of Directors, Rhode Island Commerce Corporation

Re: Revenue Increment Base Certification for BAC CVP Aloft LLC TIF Application

Date: January 28, 2019

The staff of the Rhode Island Commerce Corporation (the “Corporation”) has informed the Division of Taxation (the “Division”) that it intends to recommend to the Corporation’s Board of Directors the application of BAC CVP Aloft LLC (the “Application”) for incentives under the Rhode Island Tax Increment Financing Act of 2015, R.I. Gen. Laws § 42-64.21-1 *et seq.* (the “Act”). The Corporation proposes to enter into a TIF agreement with the Applicant in which the relevant tax streams will be the hotel sales and occupancy taxes as well as restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws. The Act requires the Division to certify the “revenue increment base” for this proposed TIF agreement. *See* R.I. Gen. Laws § 42-64.21-3(11). This memo constitutes the Division’s certification under the Act.

The Act defines the “revenue increment base” as “the amounts of all eligible revenues from sources within the qualifying TIF area in the calendar year preceding the year in which the TIF agreement is executed, as certified by the division of taxation.” *Id.* The Corporation has informed the Division of the following:

- The Application is for a hotel in Providence, RI.
- The proposed qualifying TIF area for the Application located on Lot 401 Assessor’s Plat 20, as depicted in the map attached in Exhibit A.
- The Corporation has determined, in its discretion, the eligible revenues for purposes of this Application would not exceed the sales and hotel occupancy taxes as well as restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws.
- The TIF Agreement is anticipated to be entered into in the 2019 calendar year.

The Division of Taxation has determined that no Rhode Island hotel sales and occupancy taxes nor restaurant food and beverages taxes was collected or assessed in the proposed qualifying TIF area for the calendar year 2018. Accordingly, on the basis of the foregoing information provided by the Corporation, the Division hereby certifies that the revenue increment base for the proposed TIF agreement is zero (**\$0.00**).

EXHIBIT A

Location of Proposed Qualifying TIF Area (site circled in orange)
Lot 401 Assessor's Plat 20

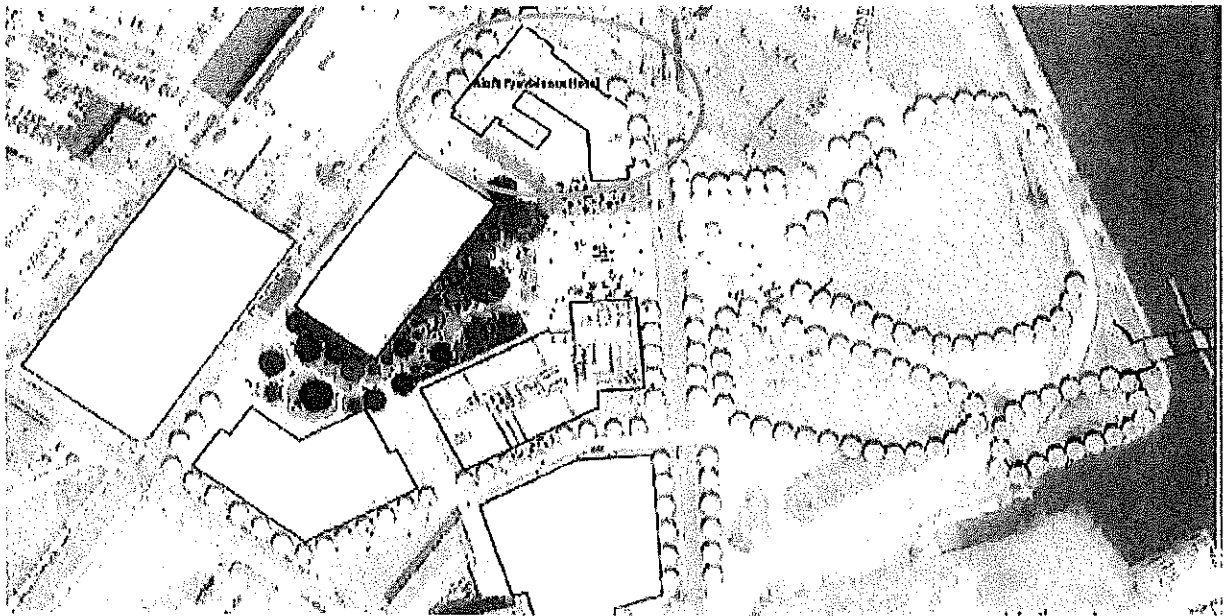
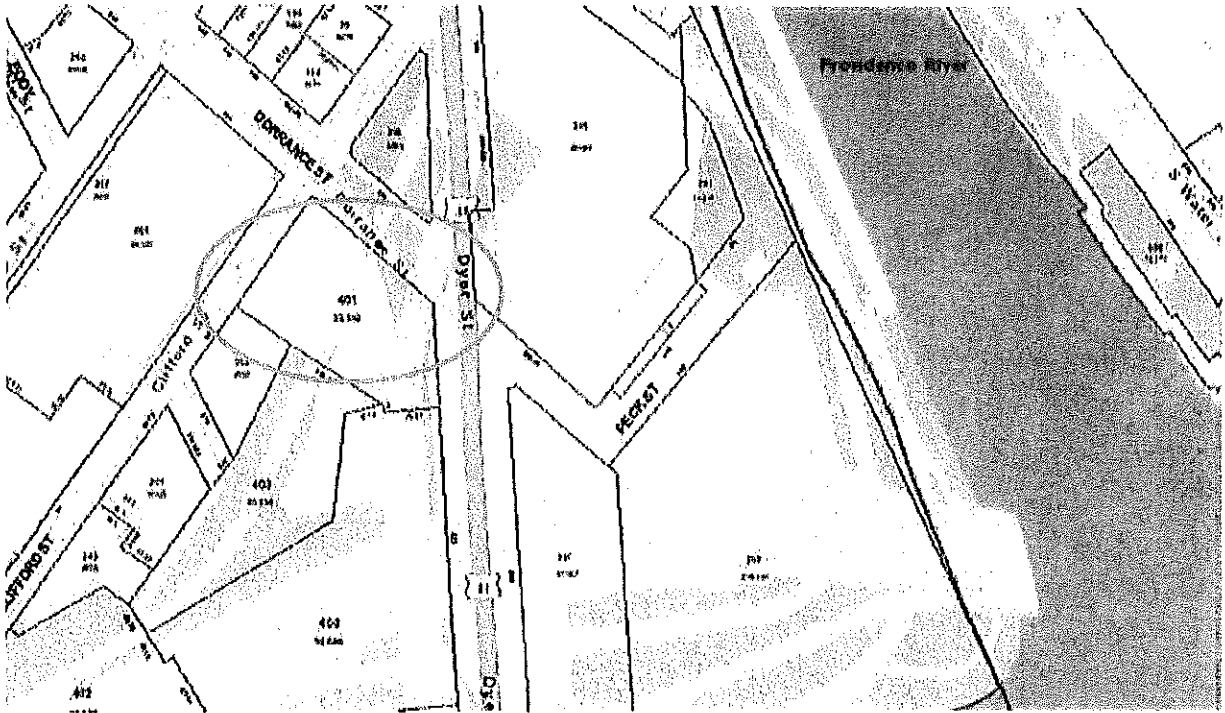


EXHIBIT 3

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
BAC CVP Aloft LLC Application

Introduction

The Rhode Island Commerce Corporation (the "Corporation") may provide Rebuild Rhode Island tax credits to BAC CVP Aloft LLC (the "Sponsor"). The credits would be provided in connection with the Sponsor's proposed investment in the development of the Aloft Providence Hotel, a new 169-room select-service hotel that would be located on a site adjacent to the life sciences complex that is being developed in the I-195 Redevelopment District.

The Sponsor estimates the total cost of the project to be \$55.2 million. The Sponsor is requesting Rebuild Rhode Island tax credits totaling \$100,000 (gross), an exemption from sales and use taxes payable on purchases of construction materials, valued at approximately \$1.5 million, and a tax increment financing (TIF) loan of \$6.75 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 in Table 1, the Sponsor's estimate of total project cost is approximately \$55.2 million.

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

Component	Estimated cost
Property acquisition	\$1.0
Construction (hard costs)	40.2
Soft costs	8.0
Fixtures, furniture and equipment	6.0
Total	\$55.2

After excluding certain expenditures that do not have a direct, current impact on Rhode Island's economy (such property acquisition and interest costs), spending on development of the proposed project is estimated to total approximately \$53.2 million.

Appleseed estimates that direct expenditures of \$53.2 million will directly and indirectly generate:

- 347 person-years⁴ of work in Rhode Island, with \$21.8 million in earnings (in 2020 dollars);
- Approximately \$62.9 million in statewide economic output⁵; and
- A one-time increase of \$33.5 million in Rhode Island's GDP.

These impacts are summarized below in Table 2. The project's *direct impact* is the impact of the Sponsor's direct spending on construction, including both hard and soft costs. 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, indirect and induced impact of construction and related spending (employment in person-years; income, value-added and output in millions of 2020 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	262	\$16.8	\$25.5	\$49.6
Indirect Effect	85	5.0	8.0	\$13.3
Total Effect	347	\$21.8	\$33.5	\$62.9

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$53.2 million would generate a projected one-time increase of approximately \$1.279 in taxes paid to the State during construction, including:

- \$819,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$357,000 in state sales taxes paid on those workers' taxable household spending; and
- \$103,000 in state business taxes.

The activity reflected in Table 2 will occur primarily in 2019 and 2020.

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 2017.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ⁶
Architect	\$40.36
Construction manager	\$47.10
Carpenter	\$22.82
Electrician	\$27.42
Plumber	\$27.71
Painter	\$18.85
Laborer	\$19.39

⁴ 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.

⁵ 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.

⁶ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2017

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 Aloft Providence Hotel and its restaurant tenant are assumed to begin operating in late 2020. Based on information provided by the Sponsor, Applesseed estimates that upon stabilization in 2022, the hotel itself will directly employ 63 workers; and the restaurant will directly employ 37.

Based on these projections, we estimate (as shown in Table 4) that in 2022, ongoing operations would directly and indirectly support:

- 118 jobs in Rhode Island, with approximately \$4.9 million in annual earnings (in 2022 dollars);
- \$15.1 million in annual statewide economic output; and
- An increase of nearly \$9.3 million in Rhode Island’s annual GDP.

Table 4: Direct, indirect and total impact of building and commercial tenant operations, 2021 (employment in FTE; earnings, value-added and output in millions of 2021 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	100	\$3.8	\$7.5	\$12.0
Indirect Effect	18	1.1	1.8	3.1
Total Effect	118	\$4.9	\$9.3	\$15.1

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, ongoing operations would generate a projected gross increase of approximately \$1.649 million in taxes paid to the state in 2022, including:

- \$1.129 million in state hotel taxes
- \$231,000 on restaurant and bar sales taxes
- \$185,000 in state personal income taxes paid by Rhode Island workers employed by the hotel and restaurant, or whose jobs are indirectly attributable to the operations of those businesses
- \$81,000 in state sales taxes paid on those workers’ taxable household spending
- \$23,000 in state business taxes

Workers employed by the hotel and restaurant would be drawn primarily from Providence and surrounding communities.

Impact

The state fiscal impact of the requested tax credit and sales tax exemption is approximately \$1.6 million in foregone state tax revenue. Direct and indirect economic and fiscal benefits of the

proposed project include an estimated increase in annual state GDP (in 2022) of approximately \$9.3 million; the associated job creation; and a gross increase of approximately \$20.969 million in hotel, personal income, sales and business tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years from 2021 through 2032.

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

- By increasing the supply of hotels available to support continued growth in the Innovation District and Downcity Providence
- By creating jobs that will be accessible to workers with a high school education
- By increasing local real property and personal property taxes

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Various features of the Rebuild Rhode Island program mitigate other risks 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 requested tax credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that state's participation would be capped at the amounts set forth above.

TAB 4

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

JANUARY 28, 2019

APPROVED

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

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

January 28, 2019

WHEREAS: The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island and Providence Plantations (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and

WHEREAS: Chapter 64.28 of Title 42 of the General Laws of Rhode Island (the “Innovation Act”), as amended, authorizes the Corporation to award Innovation Vouchers for Small Businesses to receive technical or other assistance as set forth in Rule 6 of the Rules (defined below); and

WHEREAS: The Corporation promulgated rules and regulations (the “Rules”) governing the program established by the Innovation Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and

WHEREAS: The Corporation received applications from each company identified on Exhibit 1 annexed hereto (the “Recipients”) for awards of an Innovation Voucher (the “Voucher”); and

WHEREAS: The Board of Directors of the Corporation (the “Board”) received a presentation detailing the Voucher proposed to be granted to the applicant together with a recommendation from the staff of the Corporation to approve the award of Voucher to the Recipients in accordance with the Innovation Act and the Rules.

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

RESOLVED:

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves the award of a Voucher to each Recipient in the amounts set forth in Exhibit 1.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of a Voucher Agreement between the Corporation and the Recipients meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 7 of the Rules prior to issuance of a Voucher; and

- c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Innovation Director (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipients by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
4. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
5. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
6. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
7. This resolution shall take effect immediately upon adoption by the Board.

EXHIBIT 1

Applicant	Amount
Dryvit Systems, Inc.	\$50,000
MIKEL, Inc.	\$50,000
Mearthane Products Corporation	\$49,716
Onvector, LLC	\$42,866
Revolution Cycle Works	\$50,000

TAB 5

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

JANUARY 28, 2019

APPROVED

VOTED: To approve the Corporation's annual budget as presented to the Board.