

RHODE ISLAND COMMERCE CORPORATION

AGENDA

May 21, 2018

Call to order and opening remarks.

- Tab 1: To consider for approval meeting minutes.
- Tab 2: To consider Electric Boat Corporation for an award under the Rebuild Rhode Island Tax Credit program.*
- Tab 3: To consider iXblue Defense Systems, Inc., for an award under the Qualified Jobs Incentive Tax Credit program.*
- Tab 4: To consider Advertising Ventures, Inc., for an award under the Qualified Jobs Incentive Tax Credit program.*
- Tab 5: To consider Infinity Meat Solutions, LLC, for an award under the Rebuild Rhode Island Tax Credit program and the Qualified Jobs Incentive Tax Credit program.*
- Tab 6: To consider for approval funding in relation to the P-Tech program.
- Tab 7: To consider a reallocation of funding with regard to the grant from the Department of Defense, Office of Economic Adjustment.
- Tab 8: To receive updates on Corporation programs.
- Tab 9: 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

May 21, 2018

APPROVED

VOTED: To approve meeting minutes for the meeting held April 23, 2018 as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS PUBLIC SESSION April 23, 2018

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on April 23, 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, Bernard Buonanno, III, Dr. Nancy Carriuolo, Ronald O'Hanley, Tim Hebert, Mary Jo Kaplan, Jason Kelly, George Nee, Donna Sams, and Karl Wadensten.

Directors absent were: Mary Lovejoy, Michael McNally, and Vanessa Toledo-Vickers.

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

1. CALL TO ORDER AND OPENING REMARKS.

Governor Raimondo called the meeting to order at 5:11 p.m., indicating that a quorum was present.

2. TO CONSIDER THE ENGAGEMENT OF A VENDOR FOR ADVISORY SERVICES.

Mr. Autiello indicated that the matter before the Board was the consideration of the engagement of Ernst & Young for advisory services. He explained that Ernst & Young would generate a general tax competitiveness study for the Corporation with the goal of providing recommendations to enhance the tax climate in Rhode Island to foster economic development. Mr. Autiello explained that Ernst & Young will conduct its work in two phases, with the first phase consisting of data benchmarking and the second phase consisting of a business tax competitiveness analysis for the Corporation. He stated that the request for funding totals \$185,000.

In response to a question by Mr. O' Hanley, Mr. Autiello indicated that the analysis conducted by Ernst & Young would be much more in depth and detailed compared to existing publicly available resources.

In response to a question by Hebert, Mr. Autiello explained that the analysis provided by Ernst & Young is intended to lead to recommended policy changes.

In response to a question from Mr. Wadensten, Secretary Pryor indicated that the proposed analysis has not been undertaken by the Department of Revenue as that department is charged with reporting on existing tax credits and related programs.

Upon motion duly made by Mr. Buonanno and seconded by Mr. O'Hanley, the following vote was adopted:

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

Voting in favor of the foregoing were: Bernard Buonanno, III, Dr. Nancy Carriuolo, Ronald O'Hanley, Tim Hebert, Mary Jo Kaplan, Jason Kelly, George Nee, and Donna Sams.

Voting against the foregoing was: Karl Wadensten.

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

3. **TO CONSIDER APPLICANTS FOR AWARDS UNDER THE INNOVATION VOUCHER PROGRAM.**

Ms. Smith explained that before the Board were three applications for Innovation Vouchers under the newly adopted component of the statute permitting manufacturers to receive support for internal research and development projects. She indicated that, if approved, this would bring the total number of recipients in the program to fifty.

Ms. Smith described the purpose and amount of award for each company, Aspen Aerogels, Bouckaert Industrial Textiles and NuLabel Technologies. She further indicated that Aspen Aerogels and Bouckaert Industrial Textiles have an existing relationship and would work collaboratively on their projects.

Governor Raimondo noted the importance of collaboration between local manufacturers like Aspen Aerogels Inc. and Bouckaert, which should be supported.

Governor Raimondo also took a moment to recognize David Chenevert, who is the Chair of the Rhode Island Manufacturers Association ("RIMA"). She shared with the group that Mr. Chenevert has brought new life to RIMA and is working with the Corporation on many different projects to support manufacturers throughout the State.

Mr. Chenevert stated that it has been a pleasure to work with members of the Corporation and the Administration.

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

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

Voting in favor of the foregoing were: Bernard Buonanno, III, Dr. Nancy Carriuolo, Ronald O'Hanley, Tim Hebert, Mary Jo Kaplan, Jason Kelly, George Nee, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

A copy of the resolution is attached as Exhibit C.

Ms. Smith also provided an update relative to the outcomes and impact of Innovation Voucher program to date. Ms. Smith explained that twenty of the fifty Innovative Vouchers have now been completed, having moved from the grant performance period to a point where they are able to advise the Corporation what is occurring prospectively as a result of the funding received. Ms. Smith indicated that of the \$2.3 million that has been approved, only \$1.2 million has actually been paid to awardees as the projects must be completed before funding is advanced by the Corporation. Ms. Smith referred the Board to the power point presentation detailing the program and performance to date. She also discussed the return on investment for the program.

A copy of the power point presentation is attached as Exhibit D.

4. TO CONSIDER THE MEETING MINUTES FOR THE MEETINGS HELD ON APRIL 2, 2018 AND APRIL 10, 2018.

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

VOTED: To approve the public meeting minutes for the meetings held April 2, 2018 and April 10, 2018 as presented to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Dr. Nancy Carriuolo, Ronald O'Hanley, Tim Hebert, Mary Jo Kaplan, Jason Kelly, George Nee, Donna Sams, and Karl Wadensten.

Voting against the foregoing were: none.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:37 p.m. upon motion made by Mr. Wadensten and seconded by Dr. Carriuolo.

Thomas Carlotto, Secretary

APRIL 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **April 23, 2018**, beginning at **5:00 p.m.** for the following purposes:

PUBLIC SESSION

1. Call to order and opening remarks.
2. To consider the meeting minutes for the meetings held April 2, 2018 and April 10, 2018.
3. To consider applicants for awards under the Innovation Voucher program (See Exhibit 1, which follows, for additional detail).*
4. To consider the engagement of a vendor for advisory services.
5. To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

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

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: April 19, 2018

APRIL 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

April 23, 2018

(With Respect to Advisory Services)

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") issued a request for proposals in relation to advisory services (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 Ernst & Young d/b/a EY (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 \$135,000, plus out of pocket expenses at the discretion of such officer.

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

APRIL 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

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

April 23, 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 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 the entities (the "Recipients") listed on Schedule 1 annexed hereto for awards of Innovation Vouchers (the "Vouchers"); and

WHEREAS: The Board of Directors of the Corporation (the "Board") received a presentation detailing the Vouchers proposed to be granted to the applicants together with a recommendation from the staff of the Corporation to approve the award of Vouchers 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 Vouchers to the Recipients in the amounts identified on Schedule 1.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of a Voucher Agreement between the Corporation and each 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 (870-RICR-20-004.7) 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 a Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.
4. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
5. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
6. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
7. This resolution shall take effect immediately upon adoption by the Board.

SCHEDULE 1

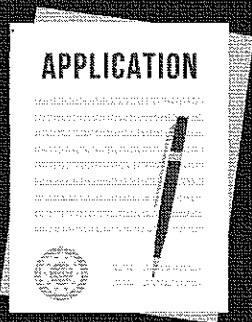
<u>Applicant</u>	<u>Amount</u>
Aspen Aerogels, Inc.	\$49,998
Bouckaert Industrial Textiles	\$50,000
NuLabel Technologies, Inc.	\$50,000

APRIL 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT D

Innovation Vouchers

97 Applications Received



Total Funds FY16-18

\$3,000,000

Supporting a Diverse Portfolio

Projects Supported

50



4

Manufacturers

11

Knowledge Partners

Funding to date

\$2,339,673

Our Ask:

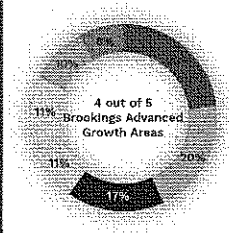
3

Applications

\$149,998

Funding

Projects recommended for funding support private sector R&D and demonstrate significant potential for commercialization.



- Aquaculture 8%
- Biomedical Innovation 20%
- IT, Cyber, Data Analytics 10%
- Defense/Maritime 11%
- Greentech 11%
- Manufacturing 23%
- Pharmaceuticals 17%

Innovation Vouchers | From Idea to Impact

(FY 16 – Present)

AWARD STATUS

50

Innovation Voucher awards approved by the board

20

Innovation Voucher projects completed



FUNDING STATUS

Funding committed to date

\$2,339,673

Funds released

\$1,199,130

Funding committed remaining to be drawn down

\$1,140,543

FY18 Funds remaining for new awards

\$660,327



FUNDING IMPACT

\$1,850,000

capital investment reported

\$973,533

SBIR/STTR federal follow on funding awarded

Reporting to include:

- Jobs and wages
- Capital investments
- Revenues
- Funding
- Patents/licenses
- New products

TAB 2

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

May 21, 2018

APPROVED

VOTED: To approve Electric Boat Corporation for an award under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.*

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

May 21, 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 “Enabling Act”); and

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

WHEREAS: The Corporation received an application for incentives under the Rebuild Act in relation to four separate qualifying projects (together, the “Projects” and each may be referred to herein individually as a “Project”) by Electric Boat Corporation, (together with its affiliates, successors and assigns, the “Recipient”) for the construction of the facilities identified in the following table (the table contains estimates):

	Est. Sq. Ft.	Est. Cost in Millions	Est. Start Date	Est. Completion Date
Project 1	639,298	\$249.2	July 1, 2018	December 31, 2021
Project 2	185,000	177.1	July 1, 2020	December 31, 2023
Project 3	250,000	300.1	July 1, 2022	December 31, 2028
Project 4	275,000	65.7	July 1, 2019	December 31, 2032

WHEREAS: The Corporation’s Investment Committee has reviewed and considered the proposed Incentives (hereinafter defined) 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 received a presentation inclusive of two term sheets 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 Act and the Enabling 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 Rebuild Act, the Corporation approves the issuance of a sales and use tax exemption and tax credits (together, the "Incentives") to the Recipient for each Project pursuant to the Rebuild Act in an amount not to exceed the following as identified for each Project:
 - a. Project 1 - \$1,850,000 of tax credits, plus a sales and use tax exemption;
 - b. Project 2 - \$50,000 of tax credits, plus a sales and use tax exemption;
 - c. Project 3 - \$50,000 of tax credits, plus a sales and use tax exemption; and
 - d. Project 4 - \$50,000 of tax credits, plus a sales and use tax exemption.
2. The authorization provided herein is subject to the following conditions:
 - a. The total of all Incentives awarded under this Resolution shall not exceed \$20,000,000 for all the Projects combined;
 - b. The execution of one or more incentive agreements between the Corporation and the Recipient meeting the requirements of the Rebuild in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - c. Prior to certification of any award of the Incentives to the Recipient for each Project, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the rules and regulations adopted in relation to the Rebuild Act (the "Rebuild Rules") in regard to such Project; and
 - d. 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's equity in each Project is not less than twenty percent (20%) of the total project cost for such Project and otherwise meets the project cost

criteria of the Rebuild Act; (d) there is a Project Financing Gap for each Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the Incentives described in the Rebuild Act and the Rebuild Rules; (e) the total amount of tax credits awarded for each Project under the Rebuild Act is not more than twenty (20%) of the total project cost or the amount needed to close the Project Financing Gap; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); and (i) the Recipient has demonstrated that it will otherwise satisfy the eligibility requirements of Rule 6 of the Rebuild Rules for a commercial project with respect to each 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 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).
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 adoption.

EXHIBIT I

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: May 21, 2018

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 Electric Boat Corporation, for tax credits of \$2,000,000 for four commercial projects as indicated below:
 - Project 1 - \$1,850,000 of tax credits;
 - Project 2 - \$50,000 of tax credits;
 - Project 3 - \$50,000 of tax credits; and
 - Project 4 - \$50,000 of tax credits.

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

EXHIBIT 3

Rhode Island Commerce Corporation
Rebuild Rhode Island Tax Credits – Economic Impact Analysis
Electric Boat Corporation Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to Electric Boat Corporation, a subsidiary of General Dynamics (the “Sponsor”). The credits would be issued in connection with the Sponsor’s proposed investment in the development of new manufacturing facilities at its existing site in the Quonset Business Park to support production of a new generation of ballistic missile submarines. By 2028, these new facilities would directly support more than 1,300 new jobs.

The Sponsor estimates the total cost of the project to be \$792.1 million. The Sponsor is requesting Rebuild Rhode Island tax credits for the project totaling \$2.0 million, and an exemption from state sales and use taxes on materials used in construction, valued at \$18.0 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 \$792.1 million.

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

Component	Estimated cost
Buildings	\$432.9
Equipment	115.0
Fixtures	158.8
Overhead	85.4
Total	\$792.1

After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such as spending on equipment and fixtures purchased from other states)¹, spending on development of the proposed new facilities is estimated to total approximately \$550.1 million. Appleseed estimates that direct expenditures of \$550.1 million will directly and indirectly generate:

¹ We assume, however, that on-site installation costs associated with major fixtures account for 20 percent of total spending on fixtures.

- 3,648 person-years² of work in Rhode Island, with \$242.2 million in earnings (in 2022 dollars);
- Approximately \$647.2 million in statewide economic output³; and
- A one-time increase of \$369.8 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 2022 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	3,147	\$207.3	\$311.5	\$550.1
Indirect Effect	501	34.9	58.3	\$97.1
Total Effect	3,648	\$242.2	\$369.8	\$647.2

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$550.1 million would generate a projected one-time increase of approximately \$14.194 million in taxes paid to the State during construction, including:

- \$9.083 million in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$3.963 million in state sales taxes paid on those workers' taxable household spending; and
- \$1.148 million in state business taxes.

The activity reflected in Table 2 will occur from 2018 through the end of 2032. Most of this activity, however, is concentrated in the project's first five years; more than half of all construction spending occurs between mid-2018 and the end of 2022.

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.

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

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

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage
Architect	\$42.50
Construction manager	\$50.86
Carpenter	\$22.42
Electrician	\$25.26
Plumber	\$24.84
Painter	\$18.69
Laborer	\$18.68

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

Annual operations

The Sponsor will begin hiring new employees in 2018 to staff its expanded operations in the Quonset Business Park. The number of workers directly employed at the Sponsor's new facility is expected to peak in 2028 at 1,309, with the direct payroll for these jobs in 2028 estimated to total \$78.96 million. Using IMPLAN, Appleseed estimates (as shown in Table 2) that in 2028, ongoing operations would directly and indirectly support:

- 1,743 full-time-equivalent jobs in Rhode Island, with approximately \$114.1 million in annual earnings (in 2028 dollars);
- \$316.6 million in annual statewide economic output; and
- An increase of \$125.4 million in Rhode Island's annual GDP.

Table 4: Direct, indirect and total incremental impact of Electric Boat's expansion in Rhode Island, 2028 (employment in FTE; earnings, value-added and output in millions of 2028 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	1,309	\$79.0	\$76.6	\$232.3
Indirect Effect	434	\$35.1	\$48.8	\$84.3
Total Effect	1,743	\$114.1	\$125.4	\$316.6

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 \$6.682 million in taxes paid to the state in 2028, including:

⁴ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2016

- \$4.276 million in state personal income taxes paid by Rhode Island workers employed in the Sponsor's expanded operations in Rhode Island, or whose jobs are indirectly attributable to those operations;
- \$1.866 million in state sales taxes paid on those workers' taxable household spending;
- \$540,000 in state business taxes.

Workers employed as a result of the Sponsor's expansion in Rhode Island could be drawn from communities throughout the Providence-Warwick RI-MA NECTA.

Impact

The state fiscal impact of the requested tax credits and sales tax exemption is approximately \$20 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 2028) of approximately \$125.4; the associated job creation; and a gross increase of nearly \$79.8 million in 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 2023 through 2034.

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

- By providing an opportunity for Rhode Island to expand its industrial base – facilities, knowledge and skilled workers – in a segment of the defense industry that has significant potential for further growth
- By continuing to expand and diversify the state's ocean economy
- By increasing payments in lieu of taxes (PILOTs) paid to local government

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 tax credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the credits capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the value of the credits will be reduced accordingly.

TAB 3

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

May 21, 2018

APPROVED

VOTED: To approve iXblue Defense Systems, Inc., 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
May 21, 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 "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 iXblue Defense Systems, Inc. (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 twenty-two (22) 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 Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; 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 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
iXblue Defense Systems, Inc. Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to iXblue Defense Systems, Inc. (“the Company”), a global provider of navigation, positioning and imaging systems and services for defense and other industries. The credits would be issued in connection with the Company’s decision to relocate an existing operation from Natick, Massachusetts to either Lincoln or Woonsocket, Rhode Island, and to expand at its new location. As of January 2019, the Company would employ 17 people in Rhode Island, increasing to 22 by January 2020.

The Company is requesting Qualified Jobs Incentive tax credits with an estimated value of \$1.032 million.

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

Jobs Analysis

Capital investment

The Company is not planning any capital investment in connection with its move to Rhode Island.

Annual operations

As noted above, the Company intends to employ 22 people (managers and supporting staff) at its new Rhode Island location by 2020. The median annual salary for these employees would be \$110,000.

Based on data provided by the Company, and using the IMPLAN input-output modeling system, Appleseed estimates that in 2020, ongoing operations associated with the 22 full-time jobs the Company would be committed to relocating or creating and maintaining in Rhode Island would directly and indirectly support:

- 36 full-time-equivalent (FTE) jobs in Rhode Island;
- \$3.6 million in annual earnings (in 2020 dollars);
- \$9.9 million in statewide economic output; and
- An increase of \$5.0 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 1. The *direct impact* of the Company’s operations reflects the company’s direct employment, its direct spending on wages and salaries, the value its operations add to Rhode Island’s GDP, and the total value of the goods and services it produces. Its *indirect impact* is the effect of the Company’s spending on purchases of goods and services from other Rhode Island businesses.

Table 1: Direct, indirect and total annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2020 dollars)

	Jobs	Earnings	Value added	Output
Direct Effect	22	\$2.6	\$3.5	\$7.5
Indirect Effect	14	1.0	1.4	2.4
Total Effect	36	\$3.6	\$4.9	\$9.9

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company's operations in Rhode Island would generate a projected increase of approximately \$210,000 in annual state tax revenues, including:

- \$134,000 in state personal income taxes paid by workers newly employed by the Company at its new location in Rhode Island, or by Rhode Island workers whose jobs are indirectly attributable to the Company's new Rhode Island operations;
- \$59,000 in state sales taxes paid on those workers' taxable household spending; and
- \$17,000 in state business taxes.

Benefits

All full-time Company employees are eligible for a comprehensive package of benefits, including 100 percent employer-paid health, dental and vision insurance; health reimbursement and flexible spending accounts; employer-paid long-term and short-term disability insurance; a 401(k) plan; 20 days paid vacation (25 days after five years), and 5 days of paid sick leave.

Hiring

Because most of its positions are senior-level technical jobs, the Company typically uses an executive recruiter, who seeks to identify candidates both from the local area and from elsewhere in the eastern U.S. The Company offers to relocate candidates who are hired from outside the local area.

Impact

The state fiscal impact of the requested tax credits is estimated to be approximately \$1.032 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$4.9 million, the estimated associated job creation, and a gross increase of nearly \$2.472 million in personal income, sales and business tax revenues during the twelve-year commitment period beginning in 2019. These benefits are detailed in the foregoing analysis.

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

- Highlighting Rhode Island's attractiveness as a location for global defense-related companies
- Adding to the growth of the state's ocean economy

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. 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 4

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

May 21, 2018

APPROVED

VOTED: Advertising Ventures, Inc., 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
May 21, 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 "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 Advertising Ventures, Inc. (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 ten (10) 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 Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; 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 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
Advertising Ventures, Inc. Application

Introduction

The Rhode Island Commerce Corporation (the "Corporation") may issue Qualified Jobs Incentive tax credits to Advertising Ventures, Inc. doing business as (add)ventures ("the Company"), a provider of advertising and communications services. The credits would be issued in connection with the Company's decision to expand in Rhode Island. In conjunction with this move, the Company would by January 2019 increase the number of people it employs in Rhode Island from 55 to 65.

The Company is requesting Qualified Jobs Incentive tax credits with an estimated value of \$260,000.

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

Jobs Analysis

Capital spending

The Company is not seeking any state tax benefits in connection with any costs it might incur in preparing, or relocating to, its proposed new offices in Rhode Island.

Annual operations

As noted above, the Company intends to hire 10 additional workers (managers and supporting staff) at its new location by January 2019. The median annual salary for these employees would be approximately \$60,000.

Based on data provided by the Company, and using the IMPLAN input-output modeling system, Appleseed estimates that in 2019, ongoing operations associated with these 10 additional full-time jobs the Company would be committed to relocating or creating and maintaining in Rhode Island would directly and indirectly support:

- 17 full-time-equivalent (FTE) jobs in Rhode Island;
- Nearly \$1.1 million in annual earnings (in 2019 dollars);
- More than \$3.3 million in statewide economic output¹; and

¹ Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) directly and indirectly generated by the expansion of the Company's Rhode Island operations.

- An increase of \$1.7 million in Rhode Island's annual GDP.

These impacts are summarized below in Table 1. The *direct impact* of the Company's operations reflects the company's direct employment, its direct spending on wages and salaries, the value its operations add to Rhode Island's GDP, and the total value of the goods and services it produces. Its *indirect impact* is the effect of the Company's spending on purchases of goods and services from other Rhode Island businesses.

Table 1: Direct, indirect and total annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2019 dollars)

	Jobs	Earnings	Value added	Output
Direct Effect	10	\$0.7	\$1.1	\$2.3
Indirect Effect	7	0.4	0.6	1.0
Total Effect	17	\$1.1	\$1.7	\$3.3

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company's operations in Rhode Island would generate a projected increase of approximately \$62,000 in annual state tax revenues, including:

- \$40,000 in state personal income taxes paid by workers newly employed by the Company at its new location in Rhode Island, or by Rhode Island workers whose jobs are indirectly attributable to the Company's new Rhode Island operations;
- \$17,000 in state sales taxes paid on those workers' taxable household spending; and
- \$5,000 in state business taxes.

Benefits

All full-time Company employees are eligible for a comprehensive package of benefits, including health insurance (with 75 percent of premiums paid by the Company), optional dental and AFLAC plans, life and disability insurance, a 401(k) plan with a 3 percent Company match after six months, Flexible Spending Accounts and an Employee Assistance Program., 15 vacation days and 9 paid holidays. The Company also offers Section 125 plans, which allow employees to pay employee benefit premiums with pre-tax dollars.

Hiring

The Company typically posts available jobs on its website and on social media, and on job sites such as Indeed.com and Glassdoor. Candidates are typically screened by phone, followed by two in-person interviews. After hiring and initial orientation, new employees also undergo three-month, six-month and (subsequently) regular annual reviews.

Impact

The state fiscal impact of the requested tax credits is estimated to be approximately \$260,000 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$1.7 million, the estimated associated job creation, and a gross increase of approximately \$744,000 in personal income, sales and business tax revenues during the twelve-year commitment period beginning in 2019. These benefits are detailed in the foregoing analysis.

In addition to the economic and tax revenue impacts cited above, the Company's expansion would highlight Rhode Island's attractiveness as a location for professional, technical and creative services companies.

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. 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 5

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

May 21, 2018

APPROVED

VOTED: To approve Infinity Meat Solutions, LLC, for an award under the Rebuild Rhode Island Tax Credit program and 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 REBUILD RHODE ISLAND TAX CREDIT ACT AND
THE QUALIFIED JOBS TAX CREDIT ACT

May 21, 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 "Enabling Act"); and

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

WHEREAS: Chapter 48.3 of Title 44 of the General Laws of Rhode Island (the "Jobs Tax Credit 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 Acts from Infinity Meat Solutions, LLC, (together with any nominee of such entity, the "Recipient") for the construction of a food manufacturing facility of approximately two hundred thousand (200,000) square feet (the "Project") to be located at the Quonset Business Park, which is anticipated to result in the creation of new full-time jobs in the State meeting the eligibility requirements of the Jobs Tax Credit Act and the investment of approximately One Hundred Ten Million Dollars (\$110,000) million in project costs to build and outfit the facility meeting the eligibility requirements of the Rebuild Act; 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 received a presentation inclusive of two term sheets 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 Acts.

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 Acts, the Corporation approves the issuance of the following incentives:
 - a. Under the Rebuild Act, tax credits to the Recipient in an amount not to exceed One Million Nine Hundred Fifteen Thousand Dollars (\$1,915,000) and a sales and use tax exemption; and
 - b. Under the Jobs Act, tax credits to the Recipient up to the amount of seven hundred two (702) 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 one or more incentive agreements between the Corporation and the Recipient meeting the requirements of the Acts in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Prior to certification of any award of incentives to the Recipient, verification by the Corporation of compliance with the eligibility requirements of Rule 6 of the rules and regulations adopted in relation to the Rebuild Act (the "Rebuild Rules");
 - c. The creation of not less than the minimum required new full-time jobs under the Jobs Act, which earn no less than Twelve and 50/100 Dollars (\$12.50) a reduction from the median annual wage requirement as the Recipient meets the definition of an Economically Fragile Industry; and
 - d. 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 Jobs Act; (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 Jobs Act; (e) 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 Act; (f) there is a Project Financing Gap for the Project such

that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild Act and the Rebuild Rules; (g) the total amount of tax credits awarded for the Project under the Rebuild Act are not more than twenty (20%) of the total project cost or the amount needed to close the Project Financing Gap; (h) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 1); (i) the Secretary of Commerce has provided written confirmation required by the Rebuild Act (a copy of which is annexed hereto as Exhibit 1); (j) the Office of Management and Budget has provided written confirmation required under the Rebuild Act (a copy of which is annexed hereto as Exhibit 2); (k) the Recipient has demonstrated that it will otherwise satisfy the eligibility requirements of Rule 6 of the Rebuild Rules for a commercial project; and (l) this Resolution constitutes express approval of the Corporation within the meaning of Rule 8 of the Rules and Regulations adopted in relation to the Jobs Act with respect to any job specific benefit authorized and agreed to by the Quonset Development Corporation prior to the adoption of this Resolution or hereafter.

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 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Executive Vice President 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. The incentives provided under this Resolution may be combined with any other job specific benefit and/or incentives provided by the Quonset Development Corporation and/or in connection with a lease at the Quonset Business Park and this provision shall constitute express authorization for such purposes as required under RIGL § 44-48.3-10.
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.
10. This Resolution shall take effect immediately upon adoption.

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: May 21, 2018

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

- To consider the application of Infinity Meat Solutions, LLC for tax credits in an amount not to exceed \$1,915,000.

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

4. 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).
5. 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.*
6. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 2

EXHIBIT 3

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

Infinity Meat Solutions LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island and Qualified Jobs Incentive tax credits to Infinity Meat Solutions LLC (“the Company”), which is owned by Retail Business Services LLC (RBS). RBS provides a range of support services to 2,100 stores and distribution centers in 23 U.S. states that are owned by or affiliated with RBS’s parent company, Netherlands-based Ahold Delhaize, one of the world’s largest food retailers.

The credits would be issued in connection with the Company’s decision to locate a new facility in Rhode Island for preparation, packaging and distribution of fresh meat products. The new facility would supply Ahold-owned or affiliated stores, distribution centers and online retailers in New England and New York.

The new facility would be developed in Quonset Business Park in North Kingstown, at an estimated total cost (excluding operating costs) of \$110.2 million. It would be staffed and operated by Cargill, Inc., a Minnesota-based worldwide provider of food, agricultural, industrial and financial products and services. By its third year of operation, the facility is expected to employ 702 full-time workers.

The Company is requesting:

- \$1.915 million in Rebuild Rhode Island tax credits;
- An exemption from sales and use taxes due on construction materials and furnishings, with an estimated value of \$1.8 million; and
- \$9.484 million in Qualified Jobs Incentive tax credits.

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

Jobs Analysis

Construction

As shown in Table 1, the Company estimates the total cost of building and equipping its new, 200,000 square-foot facility at \$110.2 million.

Table 1: Infinity Meat Solutions estimated total project cost (\$ millions)

Component	Estimated cost
Site development	\$15.3
Building construction	44.1
Contingency	10.0
Process equipment, other	40.8
Total	\$110.2

After excluding certain costs that do not have a direct impact on Rhode Island's economy (such as site acquisition and process equipment, which we assume will be procured out-of-state), Appleseed estimates that the Company will spend approximately \$64.8 million in Rhode Island on construction of the plant. Appleseed estimates that direct expenditures of approximately \$65.2 million will directly and indirectly generate:

- 469 person-years⁶ of work in Rhode Island, with \$30.7 million in earnings (in 2019 dollars);
- Approximately \$76.0 million in statewide economic output⁷; and
- A one-time increase of \$44.2 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 2019 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	405	\$26.4	\$37.4	\$64.8
Indirect Effect	64	4.3	6.8	11.2
Total Effect	469	\$30.7	44.2	\$76.0

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$64.8 million would generate a projected one-time increase of approximately \$1.798 million in taxes paid to the State during construction, including:

⁶ 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.

⁷ 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.

- \$1.151 million in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$502,000 in state sales taxes paid on those workers' taxable household spending; and
- \$145,000 in state business taxes.

Most of the activity reflected in Table 2 is assumed occur between the summer of 2018 and the fall of 2019. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

Table 3: Anticipated wages during construction

Occupation	RI median hourly wage ⁸
Architect	\$42.50
Construction manager	\$50.86
Carpenter	\$22.42
Electrician	\$25.26
Plumber	\$24.84
Painter	\$18.69
Laborer	\$18.68

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

As noted above, Cargill, Inc., the Company's operating partner, would employ 378 full-time workers at the Company's new Rhode Island facility in its first year (which for purposes of this analysis is assumed to be 2020), rising to 702 in its third year. Table 3 summarizes the categories in which these jobs will be created, and the median salary for each category. The median across all categories would be \$32,620.

Table 3: Projected employment, third year of operation

Job category	New positions (Year 3)	Median salary
General management	16	\$83,660
Operations and distribution	637	32,070
Engineers	49	51,630
Total	702	

⁸ Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2016

Based on data provided by the Company, and using the IMPLAN input-output modeling system, Appleseed estimates that in year 3, ongoing operations associated with full-time jobs the Company would be committed to creating and maintaining will directly and indirectly support:

- 963 jobs in Rhode Island;
- \$37.1 million in annual earnings (in 2022 dollars);
- \$252.1 million in statewide economic output; and
- An increase of \$58.3 million in Rhode Island's annual GDP.

These impacts are summarized below in Table 4.

Table 4: 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 Effect	702	\$26.3	\$38.9	\$217.6
Indirect Effect	261	10.8	19.4	34.5
Total Effect	963	\$37.1	\$58.3	\$252.1

In addition to the impacts on employment, earnings, output and state GDP cited above, new facility's ongoing operations would generate a projected increase of approximately \$2.174 million in annual state tax revenues, including:

- \$1.391 million in state personal income taxes paid by workers newly employed by Cargill at the Company's new Rhode Island facility, or by Rhode Island workers whose jobs are indirectly attributable to the new facility;
- \$607,000 in state sales taxes paid on those workers' taxable household spending; and
- \$176,000 in state business taxes.

Benefits

Cargill, Inc. provides a comprehensive package of employee benefits that include medical, dental and vision coverage; wellness programs; 401(k) and employee stock ownership plans; health care and wellness programs; life, long-term disability and accidental death and dismemberment insurance; tuition reimbursement and adoption assistance.

Hiring

Cargill, Inc. has its own internal recruiting operation, which it supplements as needed with assistance from temporary staffing organizations, placement agencies and professional recruiters.

Impact

The state fiscal impact of the requested tax credits and sales tax exemption is estimated to be approximately \$13.199 million in foregone state tax revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$58.3 million in the third year of operation, the estimated associated job creation, and a gross increase of \$26.496 million in personal income, sales and business tax revenues during the initial construction period and the twelve-year commitment period. These benefits are detailed in the foregoing analysis.

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

- Providing new opportunities in manufacturing for Rhode Island residents
- Increasing local payments in lieu of taxes and tangible personal property tax revenues
- Company donations to local food banks and other community organizations

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Various features of the Rebuild Rhode Island program mitigate 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 Rebuild Rhode Island tax credits will be issued only upon completion of construction work. The risk of project cost overruns is mitigated by the fact that the credits would be capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the value of the credits would be reduced accordingly.

Various features of the Qualified Jobs Incentive program similarly mitigate risk to the state. 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; and the Company would be obligated to maintain the projected level of employment in Rhode Island through the twelve-year commitment period.

TAB 6

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

May 21, 2018

APPROVED

VOTED: To approve funding in relation to the P-Tech program pursuant to the resolution submitted to the Board.

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

May 21, 2018

(With Respect to the P-TECH Programs)

WHEARAS, the Board of Directors (the "Board") of the Rhode Island Commerce Corporation (the "Corporation") previously authorized the obligation of funds to develop and administer the Pathways in Technology Early College High School program (P-TECH Program) and has received information and a presentation regarding the further development of the P-TECH Program and need to supplement funding to the Community College of Rhode Island ("CCRI" or the "college") with respect thereto.

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

Section 1. The Board hereby determines that it is economically beneficial to expend funds allocated to support high school, college, and employer partnerships as permitted under RIGL §42-64.31-1 et. seq., for the purpose of furthering the development of the P-TECH Program through additional professional development, curriculum development, statewide program development, and support for CCRI's P-TECH liaison, and P-TECH related administrative costs.

Section 2. The Corporation amends its approving resolution of March 28, 2016 (the "2016 Resolution") with respect to the P-Tech Programs by striking the figure \$100,000 in the 2016 Resolution and replacing said figure with the amount of \$150,000.

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

TAB 7

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

May 21, 2018

APPROVED

VOTED: To approve a reallocation of funding with regard to the grant from the Department of Defense, Office of Economic Adjustment pursuant to the resolution submitted to the Board.

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

May 21, 2018

(With Respect to the OEA Grant Funding)

WHEARAS, the Board of Directors (the "Board") of the Rhode Island Commerce Corporation (the "Corporation") received a presentation relative to the reallocation of certain grant monies for from the DoD Office of Economic Adjustment (OEA).

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

Section 1. The Board hereby permits the reallocation of funding at the discretion of the CEO or the President and COO of the Corporation for the following purposes or such additional purposes as deemed appropriate by either of said officers:

- a. Creation of a sustainability plan for the ICDM and the use of \$50,000 to engage Ninigret Partners;
- b. Generate a review of business models of the RISD Design for Manufacturing Innovation certificate training program;
- c. Integrate reports from completed Tasks 1-3 of the project into a final project report; and
- d. Assess and generate a redesign of the STEAMENGINEUSA website, and develop a branding strategy for the ICDM project.

Section 2. This Resolution shall take effect immediately upon passage by the Board.

TAB 8
NO VOTE