

# RHODE ISLAND COMMERCE CORPORATION

## AGENDA

MAY 22, 2017

Call to order and opening remarks.

- TAB 1: To consider the meeting minutes for the meeting held May 1, 2017.
- TAB 2: To consider the application of TPG 100 Sabin Hotel, LLC for incentives under the Rebuild Rhode Island Tax Credit program and the Tax Increment Financing program.\*
- TAB 3: To consider the application of 110 North Main, LLC and 110 North Main Management, LLC for incentives under the Rebuild Rhode Island Tax Credit program.\*
- TAB 4: To consider the application of Vistaprint Corporate Solutions, Inc., for incentives under the Qualified Jobs Incentive Tax Credit program.\*
- TAB 5: To consider applicants for awards under the Main Street Rhode Island Streetscape Improvement program.
- TAB 6: To consider the engagement of a bond process management consultant.
- TAB 7: To consider the engagement of a database solutions consultant.
- TAB 8: To consider the engagement of business attraction consultants.
- TAB 9: To consider the engagement of a Solarize RI marketing consultant.
- TAB 10: To consider for approval executive session minutes for the meeting held March 27, 2017.\*\*
- TAB 11: To consider the utilization of the Corporation's incentive programs for the investment of public funds and approval of executive session minutes.\*

Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2)\*\* or (a)(7)\* to consider this Agenda item.

TAB 1

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

**May 22, 2017**

**APPROVED**

**VOTED:** To approve the public Session minutes for the meeting held May 1, 2017 as presented to the Board.

# RHODE ISLAND COMMERCE CORPORATION

## MEETING OF DIRECTORS

### PUBLIC SESSION

May 1, 2017

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on May 1, 2017, 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, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: Ronald O'Hanley, Dr. Nancy Carriuolo, and Tim Hebert.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early and Thomas Carlotto, Esq.

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

Governor Raimondo called the meeting to order at 5:10 p.m., indicating that a quorum was present.

#### 2. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON MARCH 27, 2017.**

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

**VOTED:** To approve the Public Session minutes for the meeting held March 27, 2017 as presented to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

The Governor indicated that May 1, 2017 to May 7, 2017 is national small business week. She explained that since she took office, the Corporation has reached out and communicated with more than 2,500 small businesses. She stated that the Corporation has actively been attempting to meet the demands of small businesses, which include access to

capital and permitting, among others. The Governor noted that many Rhode Islander's work in small businesses, and that the Corporation has created and implemented a small business assistance program to help connect small businesses with necessary capital. The Governor indicated that through this program six community lenders have lent over \$5 million to eighteen small businesses. The Governor also discussed the Corporation's assistance in implementing e-permitting processes in ten communities, and commended Mayor Grebian for his assistance with the program. The Governor also highlighted the success of the Main Street Rhode Island Street Scape Improvement program, under which the Corporation has granted approximately \$1 million for the improvement of main street facades and sidewalk development, to name a few. The Governor concluded by signing a proclamation, which designated the week of May 1, 2017 to May 7, 2017 as "Small Business Week" in the State.

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

Christine Smith stated that before the Board for approval were six awards under the Innovation Vouchers program, which totaled approximately \$300,000. Ms. Smith indicated that upon approval of the six awards before the Board, the portfolio for Innovation Vouchers will total thirty-four partnerships. Ms. Smith also noted that the six awards before the Board included a new participating institution, the Naval Undersea Warfare Center. Ms. Smith indicated that the portfolio of Innovation Vouchers is becoming more diverse, ranging from small companies to large manufacturers.

In response to a question by Mr. Wadensten, Ms. Smith stated that the six awards before the Board for approval were new applicants who applied for Innovation Vouchers when the 2017 application period opened in March. Ms. Kaplan inquired as to how the Corporation markets the Innovation Voucher program, and Ms. Smith responded that the awards are outlined in press releases and that the Corporation posts summaries of the awards on its website. Additionally, Lara Salamano, Chief Marketing Officer of the Corporation, stated that the Innovation Voucher program is marketed through the Corporation's social media and email blasts. Ms. Smith stated that applicants are also referred to the Innovation Voucher program from academic partners.

In response to a question by Mr. Wadensten, Ms. Smith stated that the purpose of the Innovation Voucher program is parallel with the Innovation Center at the University of Rhode Island ("URI"); both attempt to increase the collaboration between academic institutions and businesses. The Governor explained that one reason that the State's median income is lower and its unemployment is higher than Massachusetts is due to the lower amount of research and development in the State. She stated that the number of patents per capita is lower as is the number research and development companies, and partnerships between companies and academic institutions needs to be strengthened. The Governor indicated that when companies partner with local colleges and universities, the economy changes for the better.

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

**VOTED:** To approve the awards to applicants for Innovation Vouchers pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. 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 APPLICANTS FOR AWARDS UNDER THE INDUSTRY CLUSTER GRANT PROGRAM.**

Ms. Smith stated that before the Board for approval were two awards under the Industry Cluster Grant program totaling \$245,000. She indicated that upon approval of the two awards, the total number of awards under the Industry Cluster Grant program would be ten, with approximately \$1 million being granted overall. She stated that the Corporation was statutorily authorized to award \$1.25 million and that the funds remaining will sponsor one to two more projects.

Ms. Smith explained that the first award before the Board was to the Rhode Island Textile Network ("RITN"), which is a collaboration of textile companies that assist in business development. She stated that the State has approximately 118 textile companies and that the RITN is attempting to develop a single association for this sector. She explained that the funds from the award would be utilized to employ a full-time staff to accomplish such goal. She noted that the goals of the RITN are to benchmark the status of the textile industry in the State and market the State's textile industry through more business to business marketing.

Ms. Smith stated that the second award before the Board was to the International Yacht Restoration School ("IYRS") for funding to build a 30-foot trailer equipped as a mobile maker lab. She stated that in creating the lab, IYRS worked in conjunction with the Department of Labor and Training, Rhode Island College and AS220. In response to a question by Mr. Buonanno, Ms. Smith stated that the grant is intended to fund IYRS for one year, after which the program will be self-sustaining.

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

**VOTED:** To approve the awards to applicants for Industry Cluster Grants pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. 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 APPLICATION OF WEXFORD SCIENCE & TECHNOLOGY, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.**

Mr. Saglio explained that Wexford Science & Technology, LLC (“Wexford”) is developing a \$62 million mixed-use project called River House, which will be a primarily residential development for student housing that will be located adjacent to the South Street Landing. Mr. Saglio stated that River House will be comprised of 174 apartment units that will range from small studio apartments to larger two bedroom units. He explained that before the Board for approval was \$8.4 million gross tax credit to Wexford, which results in approximately a \$7.5 million net amount for the project assuming a redemption of the tax credits with the State.

In response to a question by Mr. Wadensten, Mr. Early stated that if the Board approves the proposed tax credits to Wexford, then the Rebuild Rhode Island Tax Credit portfolio will consist of approximately forty-eight percent residential projects. Ms. Kaplan commented that at a recent gathering at the Brookings Institute, several people noted the importance of residential development. Mr. McNally noted that the proposed tax credits were a good investment and that the tax credits were approximately thirteen percent of the cost of the project. He further stated that River House is needed to support South Street Landing and other developments in the 195 District. Ms. Toledo-Vickers stated that River House has different apartment sizes, which can accommodate a variety of different students at a variety of different schools.

Mr. Wadensten questioned if there is too much housing in the 195 District, and Secretary Pryor stated that the parcel upon which River House is being built is adjacent to the South Street Landing, which will provide a synergistic necessity for student housing. In response to questions by Mr. Buonanno, Secretary Pryor stated that River House and the Innovation Center are expected to progress together to increase the student population in the 195 District. Additionally, Jim Barons of Wexford explained that both River House and the Innovation Center are scheduled for simultaneous completion in the first quarter of 2019. In response to a question by Mr. Nee, Mr. Barons stated that Wexford has capital raised for the project.

The Governor commended and thanked the Corporation’s staff and the Investment Committee. She indicated that land in the 195 District became available approximately six years ago, and remained vacant; however, now, it will serve as the foundation for the Innovation Center to be discussed next. She indicated that Brown University has committed to housing its School of Professional Studies in the Innovation Center, along with the Cambridge Innovation Center, which is a nationally recognized incubator for small, start-up companies. The Governor explained that to have a Cambridge-like district could create thousands of jobs. She further commended Mr. Saglio and Secretary Pryor on their work with Wexford in finalizing these projects.

6. **TO CONSIDER THE APPLICATION OF SSL PARTNER, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM AND THE TAX INCREMENT FINANCING PROGRAM.**

Secretary Pryor indicated SSL, LLC's Innovation Center project is a 191,000 square foot group-up office building focused on innovation with an estimated cost of \$105 million. He stated that the Innovation Center will host innovation-focused companies such as the Cambridge Innovation Center ("CIC") and the Brown University School of Professional Studies. Secretary Pryor stated that an economic impact study was conducted on the Innovation Center, which indicates that the Innovation Center will yield \$20 million in state revenue over twenty years and increase the State's Gross Domestic Product by \$121 million.

Secretary Pryor stated that before the Board for approval were proposed tax credits totaling \$15 million, which results in approximately a \$7.5 million net amount for the project assuming a redemption of the tax credits with the State. He indicated that such number may be decreased because there is a planned hotel project and the revenues of the hotel through the use of the TIF program may be sufficient to fill the financing gap for the hotel project and yield additional revenue to decrease the Rebuild tax credits. Secretary Pryor further stated that SSL will also receive a sales and tax use rebate.

Secretary Pryor indicated that SSL is receiving a total of \$32 million from the State, which includes \$18.5 million from the 195 Commission and \$13.5 million from the Corporation. He stated that investing in the Innovation Center is fiscally responsible as the project will be revenue positive. Secretary Pryor commended and thanked Jesse Saglio, Peter McNally, and Joe Azrack for their efforts in finalizing the State's investments in the Innovation Center.

Mr. Barons stated that the Innovation Center will be the focus of an innovation community focused on innovation, discovery, and entrepreneurship. He explained that SSL's partner, Ventas, recently purchased several properties: (1) South Street Landing, which is a large building that will host 1000 students attending the Education Center for the University of Rhode Island and Rhode Island College; (2) a nearby parking garage; and (3) parcels 22 and 25 of the I-195 District, which, after being built according to plan, will have approximately one million square feet of space. Mr. Barons also noted that One Ship Street, which is property owned by SSL, was recently leased by Johnson & Johnson.

Mr. Barons explained that three institutions have signed letters of intent to lease space in the Innovation center: (1) Brown University; (2) Cambridge Innovation Center; and (3) District Hall, which is a heavily-programmed public gathering space. He indicated that ideally, Cambridge Innovation Center will integrate with District Hall's programming to create an innovation atmosphere to attract, retain, and help entrepreneurs grow businesses. He explained that when a city or state retains its talent, larger companies are more attracted to move there. Mr. Barons indicated that he expects that construction on the Innovation Center will begin this summer. Secretary Pryor commended Mr. Barons on his efforts.

In response to questions by Mr. Buonanno, Mr. Barons stated that the Innovation Center will be the first building built to provide a foundation for the surrounding area. Further, Mr.



Barons stated that in the event that the Innovation Center wished to expand, there are two other sites that may be divided into smaller buildings, and surrounding properties that are owned by friendly parties. Mr. Barons discussed the possibility of establishing a neuroscience center.

In response to a question by Mr. Toledo-Vickers, Mr. Barons stated that the Innovation Center is similarly subsidized in relation to similar projects and that the Innovation Center will be a value proposition for companies looking to relocate to the State. He indicated that the one of the hurdles for the market is the high cost of construction in comparison to the market rents. He stated that the Innovation Center, and local universities and colleges, will create an environment in which companies will pay higher costs to be closer to talent.

The Governor indicated that the Innovation Center will assist with the State's broader business development. Mr. Buonanno noted that there is a lack of "Class A" office space in downtown Providence. The Governor also noted the lack of new development in the downtown area. Mr. McNally stated that the key to the economic development of the State is to increase the State's rental rates and demand, and he stated that the Innovation Center is ideal for accomplishing such goal.

In response to a question by Mr. Wadensten, the Governor indicated that sustaining the Innovation Center will require the involvement of local colleges, universities, and businesses. She also explained the economy is shifting from a low-wage, low-scale, industrial economy to a 21<sup>st</sup> Century economy based on technological talent.

Ms. Kaplan expressed her belief that the success of the Innovation Center will be based upon the involvement of the State in its sustainability.

Ms. Sams stated that in transforming the economy, the State will also need to evolve and change the way it accomplishes things.

In response to a question by Mr. Wadensten, Mr. Barons stated that Cambridge Innovation Center has signed a fifteen year lease, and Brown University has signed a ten year lease.

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

**VOTED:** To approve the application of Wexford Science & Technology, LLC for incentives under the Rebuild Rhode Island Tax Credit program pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. 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.

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

**VOTED:** To approve SSL Partner, LLC for incentives under the the Rebuild Rhode Island Tax Credit Act and the Tax Increment Financing Act pursuant to the Resolutions presented to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. 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.

7. **TO CONSIDER THE AMENDMENT TO THE AWARD OF INCENTIVES PREVIOUSLY GRANTED TO CASE MEAD ASSOC., LLC UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.**

Mr. Buonanno recused himself from participating and voting on this agenda item.

Mr. Early indicated that in February 2016, the Board approved tax credits under the Rebuild Rhode Island tax credit program to Case Mead Assoc., LLC ("Case Mead") for the renovation of a historic building in downtown Providence. He stated that the project is anticipated to produce forty-four micro-apartments. Mr. Early stated that at the time the Board initially approved tax credits to Case Mead, the project's anticipated costs were approximately \$7.6 million; however, after the sponsor has commenced the project, costs have risen to approximately \$11 million. Also, Mr. Early stated that since Case Mead was initially awarded tax credits, it has received state and federal historic tax credits. He stated that because of the increased costs, Case Mead's lender had indicated that it will loan additional funds so long as the project meets certain requirements. Mr. Early stated that with the state and federal historic tax credits, along with additional funds from Case Mead's lender, the project has a projected financing gap of approximately \$450,000, which the Corporation's staff is proposing to fill with a sales and use tax rebate of \$225,000 and tax credits in the amount of \$225,000.

Additionally, Mr. Early stated that before the Board for approval was a contingent award of a loan under the Rebuild Rhode Island tax credit program in the amount of \$2.6 million, which will only be awarded if the project does not meet certain contingencies and Case Mead's lender does not fully fund.

Mr. McNally stated that the project will be beneficial for the downtown area. In response to a question by Mr. Wadensten, Mr. Early stated that Case Mead is an example that the Rebuild Rhode Island tax credit program is working because it requires the developer to solicit and receive all possible financing and funds.

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

**VOTED:** To approve the amendment to the award of incentives previously granted to Case Mead Assoc., LLC pursuant to the Resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. 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 F**.

8. **TO CONSIDER AN AMENDMENT TO THE CORPORATION'S BUDGET.**

Mr. Early explained that before the Board for approval was a moving of funds from one line item in the Corporation's budget to another. He stated that the Corporation's staff is planning to move \$250,000 from the personnel budget line item to the advisor line item. He stated that such funds will ensure the Corporation's ability to fund any and all advisors necessary. In response to a question by Mr. Wadensten, Mr. Early explained that the money will be used to retain third-party advisors.

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

**VOTED:** The Corporation's budget is amended consistent with the presentation to the Board.

Voting in favor of the foregoing were: Bernard Buonanno, III, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers, 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 6:22 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Buonanno.

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Thomas Carlotto, Secretary

MAY 1, 2017 MEETING MINUTES

EXHIBIT A

**MEETING NOTICE**  
**RHODE ISLAND COMMERCE CORPORATION BOARD OF DIRECTORS**

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 **May 1, 2017** beginning at **5:00 p.m.**, for the following purposes:

1. Call to order and opening remarks.
2. To consider the meeting minutes for the meeting held March 27, 2017.\*\*
3. To consider applicants for awards under the Innovation Voucher program.
4. To consider applicants for awards under the Industry Cluster Grant program.
5. To consider the application of SSL Partner, LLC (an entity associated with Wexford Science & Technology, LLC) for incentives under the Corporation's programs including the Rebuild Rhode Island Tax Credit program, the Tax Increment Financing program and the First Wave Closing Fund program for a commercial project.\*
6. To consider the application of Wexford Science & Technology, LLC for incentives under the Rebuild Rhode Island Tax Credit program for a mixed-use project.\*
7. To consider the amendment to the award of incentives previously granted to Case Mead Assoc., LLC under the Rebuild Rhode Island Tax Credit program for a mixed-use project.\*
8. To consider an amendment to the Corporation's budget.
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)(2)\*\* or (a)(7)\* to consider this Agenda item.

Shechtman Halperin Savage, LLP  
Counsel to the Corporation

Dated: April 28, 2017

MAY 1, 2017 MEETING MINUTES

EXHIBIT B

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

May 1, 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 64.28 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 applicants identified on Exhibit 1 (the "Recipients") 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 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 Vouchers to the Recipients in the amounts identified 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 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 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 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.



EXHIBIT 1

Recipient	Amount
Cooley Group	\$50,000
Core Mechanics, LLC	\$50,000
Desmark Industries, Inc.	\$49,896
Navatek, Ltd.	\$50,000
Prometheus, Inc.	\$50,000
Sproutel, Inc.	\$50,000

MAY 1, 2017 MEETING MINUTES

EXHIBIT C

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF GRANTS  
UNDER THE INDUSTRY CLUSTER GRANT ACT

May 1, 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 64.29 of Title 42 of the General Laws of Rhode Island (the "Cluster Grant Act"), as amended, authorizes the Corporation to award technical assistance grants ("Technical Assistance Grants") or implementation grants ("Implementation Grants"); and

**WHEREAS:** The Corporation promulgated rules and regulations (the "Rules") governing the program established by the Cluster Grant 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 applicants identified on Exhibit 1 (the "Recipients") for awards of either Technical Assistance Grants or Implementation Grants as specified in said Exhibit 1 (the "Grants"); and

**WHEREAS:** The Board of Directors of the Corporation (the "Board") received a presentation detailing the Grants proposed to be granted to the Recipients together with a recommendation from the staff of the Corporation to approve the award of Grants to the Recipient in accordance with the Cluster Grant 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 Cluster Grant Act, the Corporation approves the award of Grants to the Recipients as indicated in Exhibit 1.
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of a Grant Agreement between the Corporation and each Recipient meeting the requirements of the Cluster Grant 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 (Technical Assistance Grants) or Rule 8 (Implementation Grants) of the Rules prior to issuance of funding for a Grant; 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 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.

## EXHIBIT 1

**Applicant:** International Yacht Restoration School

**Location:** Newport

**Funding:** \$160,000

**Use of Funds:** To purchase and outfit the "Mobile Maker Lab," a traveling trailer equipped with 21st century manufacturing technologies. The Lab will offer events, training sessions and forums that bring together manufacturers and makers, and provides information to makers to grow their ventures and connect with other resources.

**Applicant:** Rhode Island Textile Innovation Network

**Location:** Kingston

**Funding:** \$85,000

**Use of Funds:** To formalize the Rhode Island Textile innovation Network to 1) promote advanced textile manufacturing; 2) increase business opportunities for RI based textile companies; and 3) form partnerships between textile manufacturers, academia, and government.

MAY 1, 2017 MEETING MINUTES

EXHIBIT D

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

May 1, 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 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 Wexford Science & Technology, LLC (the "Recipient") under the Rebuild RI Tax Credit Act in relation to a Mixed-Use Project (the "Project") located at 11 Point Street, Providence, RI; 15 Point Street, Providence, RI; and 2 South Street, Providence, RI, which is proposed to consist of approximately one hundred seventy four (174) residential units and an estimated 4,194 +/- square feet of retail space;

**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 incentives; 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 Eight Million Three Hundred Fifty Four Thousand Nine Hundred Ten Dollars (\$8,354,910) and authorizes a sales and use tax exemption in addition to the tax

credits of Seven Hundred Thousand Dollars (\$700,000) 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: (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 the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (e) 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; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (i) 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 & 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  
Darin Early, 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 1, 2017

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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 approve Wexford Science & Technology, LLC for tax credits of \$8,354,910 for a mixed-use 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**

Office: (401) 574-8430

One Capitol Hill  
Providence, RI 02908-5890

**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:** May 1, 2017

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") two new projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$23,354,910.00. That recommendation is as follows:

1. That the application submitted by SSL Partner, LLC be approved for tax credits in a maximum amount of \$15,000,000.00.
2. That the application submitted by Wexford Science & Technology, LLC be approved for tax credits in a maximum amount of \$8,354,910.00.

The Corporation is also recommending to the Board that the application of Case Mead Assoc., LLC initially approved on February 22, 2016 be amended from an award in a maximum amount of \$2,179,977.00 to an award in the maximum amount of \$1,588,798.00.

As of February 27, 2017, the Corporation had approved tax credits and/or loans under the program in the amount of \$57,943,713.92. The approval of an additional \$23,354,910.00 in tax credits, along with the reduction in the award to Case Mead Assoc., LLC in the amount of \$591,179, would bring the cumulative total of approved credits and/or loans to \$80,707,444.92. Currently twenty-six 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 total maximum amount of credits and/or loans proposed above, i.e. \$23,354,910.00, 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 this 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 A

Fiscal Year Impact of Proposed Rebuild Rhode Island Tax Credit Projects

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<b>Projects Confirmed as of 1/25/16</b>											
Bourne Capital Partners	\$0.00	\$0.00	\$637,688.00	\$641,518.00	\$484,598.00	\$484,598.00	\$484,598.00	\$0.00	\$0.00	\$0.00	\$2,733,000.00
John M. Corcoran & Co.	\$0.00	\$0.00	\$1,675,000.00	\$977,083.33	\$977,083.33	\$977,083.33	\$977,083.33	\$0.00	\$0.00	\$0.00	\$5,583,333.32
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,312,688.00	\$1,618,601.33	\$1,461,681.33	\$1,461,681.33	\$1,461,681.33	\$0.00	\$0.00	\$0.00	\$8,316,333.32
<b>Projects Confirmed as of 2/22/16</b>											
Waldorf Capital Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Case Mead Association, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Projects Confirmed as of 3/28/16</b>											
Providence Capital III	\$0.00	\$0.00	\$546,485.60	\$910,810.00	\$667,927.80	\$455,404.40	\$455,404.40	\$0.00	\$0.00	\$0.00	\$3,036,032.20
78 Fountain JV Owner, LLC	\$0.00	\$0.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,023.00	\$0.00	\$0.00	\$0.00	\$6,115,119.00
Winn Development and Omni Development	\$0.00	\$0.00	\$1,097,280.00	\$914,400.00	\$548,640.00	\$548,640.00	\$548,640.00	\$0.00	\$0.00	\$0.00	\$3,657,600.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,866,789.60	\$3,048,234.00	\$2,439,591.80	\$2,227,068.40	\$2,227,067.40	\$0.00	\$0.00	\$0.00	\$12,808,751.20
<b>Projects Confirmed as of 5/9/16</b>											
AT Cross Company	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Subtotal:</b>	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Projects Confirmed as of 5/23/16</b>											
Union Mill LLC	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Projects Confirmed as 6/27/16</b>											
D'Ambra Warwick Hotel LLC	\$0.00	\$0.00	\$273,399.00	\$273,398.00	\$273,398.00	\$273,398.00	\$273,398.00	\$0.00	\$0.00	\$0.00	\$1,366,991.00
Ocean State Jobbers, Inc.	\$0.00	\$0.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$3,100,000.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$893,399.00	\$893,398.00	\$893,398.00	\$893,398.00	\$893,398.00	\$0.00	\$0.00	\$0.00	\$4,466,991.00
<b>Projects Confirmed as 8/10/16</b>											
Finlay Extracts & Ingredients USA, Inc.	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Projects Confirmed as 8/22/16</b>											
Lippitt Mill LLC	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0	\$0	\$0	\$2,103,501.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0.00	\$0.00	\$0.00	\$2,103,501.00
<b>Projects Confirmed as 9/26/16</b>											
Urban Smart Growth, LLC	\$0.00	\$0.00	\$713,932.00	\$713,932.00	\$713,931.00	\$713,931.00	\$713,931.00	\$0.00	\$0.00	\$0.00	\$3,569,657.00
Royal Oaks Realty, LLC	\$0.00	\$0.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,434.00	\$0.00	\$0.00	\$0.00	\$2,517,174.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$1,217,367.00	\$1,217,367.00	\$1,217,366.00	\$1,217,366.00	\$1,217,365.00	\$0.00	\$0.00	\$0.00	\$6,086,831.00

<b>Projects Confirmed as 11/21/16</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
City of Newport	\$0.00	\$0.00	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0.00	\$0.00	\$0.00	\$2,128,123.00
<b>Subtotal:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$638,437.00</b>	<b>\$425,625.00</b>	<b>\$425,625.00</b>	<b>\$319,218.00</b>	<b>\$319,218.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,128,123.00</b>
<b>Projects Confirmed as 12/19/16</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
Chestnut Commons	\$0.00	\$0.00	\$0.00	\$595,072.00	\$595,071.00	\$595,071.00	\$595,071.00	\$595,071.00	\$0.00	\$0.00	\$2,975,356.00
Virgin Pulse	\$0.00	\$301,924.80	\$251,604.00	\$150,962.40	\$150,962.40	\$821,216.40	\$558,545.50	\$335,127.30	\$335,127.30	\$335,127.30	\$3,240,597.40
<b>Subtotal:</b>	<b>\$0.00</b>	<b>\$301,924.80</b>	<b>\$251,604.00</b>	<b>\$746,034.40</b>	<b>\$746,033.40</b>	<b>\$1,416,287.40</b>	<b>\$1,153,616.50</b>	<b>\$930,198.30</b>	<b>\$335,127.30</b>	<b>\$335,127.30</b>	<b>\$6,215,953.40</b>
<b>Projects Confirmed as 1/23/17</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
Downcity	\$0.00	\$0.00	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0.00	\$0.00	\$0.00	\$7,320,506.00
<b>Subtotal:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,196,151.00</b>	<b>\$1,830,127.00</b>	<b>\$1,098,076.00</b>	<b>\$1,098,076.00</b>	<b>\$1,098,076.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$7,320,506.00</b>
<b>Projects Confirmed as 2/27/17</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
SAT Development LLC	\$0.00	\$0.00	\$0.00	\$298,500.00	\$248,750.00	\$149,250.00	\$149,250.00	\$149,250.00	\$0.00	\$0.00	\$995,000.00
Agoda Travel Operations USA Inc.	\$0.00	\$0.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,674.00	\$0.00	\$0.00	\$0.00	\$1,018,374.00
<b>Subtotal:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$203,675.00</b>	<b>\$502,175.00</b>	<b>\$452,425.00</b>	<b>\$352,925.00</b>	<b>\$352,924.00</b>	<b>\$149,250.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$2,013,374.00</b>
<b>Projects Confirmed as 5/1/17</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
SSL Partner, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$0.00	\$15,000,000.00
Wexford Science & Technology, LLC <sup>(1)</sup>	\$0.00	\$0.00	\$0.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$0.00	\$0.00	\$8,354,910.00
Case Mead Association, LLC <sup>(2)</sup>	\$0.00	\$0.00	\$317,760.00	\$317,760.00	\$317,760.00	\$317,759.00	\$317,759.00	\$0.00	\$0.00	\$0.00	\$1,588,798.00
<b>Subtotal:</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$317,760.00</b>	<b>\$1,988,742.00</b>	<b>\$4,988,742.00</b>	<b>\$4,988,741.00</b>	<b>\$4,988,741.00</b>	<b>\$4,670,982.00</b>	<b>\$3,000,000.00</b>	<b>\$0.00</b>	<b>\$24,943,708.00</b>
<b>ALL PROJECTS TOTAL</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>	<b>Total</b>
	\$0.00	\$381,924.80	\$12,159,246.20	\$13,531,678.33	\$14,984,313.13	\$15,256,135.73	\$14,913,461.83	\$5,770,430.30	\$3,355,127.30	\$355,127.30	\$80,707,444.92

Notes

- (1) River House
- (2) Amended



EXHIBIT 3

# Rhode Island Commerce Corporation

## Rebuild Rhode Island Tax Credit – Economic Impact Analysis

### *Wexford Science & Technology LLC Application*

#### Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island Tax Credits to Wexford Science & Technology LLC (the “Sponsor”). The credits would be issued in connection with Sponsor’s proposed investment in the development of River House, a 174-unit (270-bed), approximately 152,800 gross square-foot residential building located on the Providence River in Providence, just north of the Point Street Bridge. The building – which will also include 4,194 square feet of ground-floor retail space – will primarily serve graduate, medical and undergraduate students from Brown University and other nearby institutions.

River House is the third and final element of a larger project that also includes South Street Landing (the redevelopment of a 265,000 square-foot power station) and construction of a new 744-car parking garage.

The Sponsor estimates the total cost of River House to be \$61.9 million. The Sponsor is requesting a Rebuild Rhode Island Tax Credit of \$7,519,419 (net), along with an exemption from state sales and use taxes on construction materials and certain other eligible costs totaling \$700,000.

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

#### Jobs Analysis

##### *Construction*

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$61.9 million.

**Table 1: River House estimated total project cost (\$ millions)**

<b>Component</b>	<b>Estimated cost</b>
Land acquisition	\$2.5
Construction (hard costs)	50.8
Soft costs	8.6
<b>Total</b>	<b>\$61.9</b>

After excluding certain expenditures (such as property acquisition and interest payments) that do not have a direct, current impact on Rhode Island’s economy, direct spending on

construction (both hard and soft costs) is estimated to total approximately \$56.6 million. Appleseed estimates that direct expenditures of approximately \$56.6 million will directly and indirectly generate:

- 464 person-years<sup>1</sup> of work in Rhode Island, with \$25.0 million in earnings (in 2017 dollars);
- Approximately \$78.3 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$38.9 million in Rhode Island's GDP.

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

**Table 2: Direct, 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	280	\$16.7	\$25.1	\$55.7
Indirect Effect	184	\$8.3	\$13.8	\$22.6
<b>Total Effect</b>	<b>464</b>	<b>\$25.0</b>	<b>\$38.9</b>	<b>\$78.3</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$56.6 million would generate a projected one-time increase of approximately \$1.465 million in taxes paid to the State during construction, including:

- \$938,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$409,000 in state sales taxes paid on those workers' taxable household spending;
- \$118,000 in state business corporation taxes

Most of the activity reflected in Table 2 will occur during 2017 and 2018. The anticipated wage rates for construction jobs are shown below in Table 3.

<sup>1</sup> 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.

<sup>2</sup> 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**

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

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

### ***Annual operations***

After construction is completed, ongoing operations at River House will include:

- The operations of a tenant business (or businesses) occupying the proposed 4,194 square feet of street-level commercial space; and
- Management, operations and maintenance of the new building.

Appleseed estimates that when fully operational first-floor retail tenants will directly employ 14 people (on a full-time-equivalent basis); and that 13 additional FTE's will be employed (either directly or through contractors and vendors) in building management, operations and maintenance.

Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which for purposes of this analysis is assumed to occur in 2018), it will directly and indirectly account for:

- 31 FTE jobs in Rhode Island;
- Approximately \$1.19 million in annual earnings (in 2018 dollars);
- Approximately \$2.82 million in annual statewide economic output; and
- An increase of approximately \$1.80 million in Rhode Island's annual GDP.

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<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

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

	Employment	Earnings	Value added	Output
Direct Effect	27	\$0.97	\$1.38	\$2.12
Indirect Effect	4	0.22	0.42	0.70
<b>Total Effect</b>	<b>31</b>	<b>\$1.19</b>	<b>\$1.80</b>	<b>\$2.82</b>

In addition to the impacts cited in Table 4, ongoing operations at River House would directly and indirectly generate a projected increase of approximately \$70,000 in taxes paid annually to the State. These taxes would include approximately:

- \$45,000 in state personal income taxes paid by Rhode Island workers employed directly at River House, or whose jobs are indirectly attributable to tenant and building operations;
- \$19,000 in state sales taxes paid on those workers' taxable household spending; and
- \$6,000 in state business corporation taxes directly or indirectly attributable to building and tenant company operations.

Workers who fill retail and building services jobs at River House are expected to be drawn primarily from Providence or from other nearby communities.

## Impact

The state fiscal impact of the requested tax credits and sales and use tax exemptions is up to \$8,219,419 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated one-time, construction-related increase in state GDP increase in state GDP of \$38.9 million, followed by an increase in annual state GDP of \$1.8 million, the estimated associated job creation, and the gross increase of \$2.31 million in state personal income, sales and business corporation tax revenues during the construction phase and during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Support the ongoing development of the Jewelry District as a "24/7" mixed-use community
- Expand retail options for people living and working in the area
- Support continued enrollment growth and the development of new programs at several of the state's colleges and universities
- Increase local real property tax revenues

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. The risk of project cost overruns is mitigated by the fact that tax credits and the value of the requested sales tax exemption are capped at the amounts set forth above. In addition, if project costs come in lower than anticipated, the value the requested tax benefits may be reduced.

MAY 1, 2017 MEETING MINUTES

EXHIBIT E

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS  
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT  
May 1, 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 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:** 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 received an application for tax credits under the Rebuild RI Tax Credit Act and incentives under the TIF Act from SSL Partner, LLC (the “Recipient”) in relation to a commercial Project (the “Project”) located at Parcel 22 and 25 on the I-195 land; and
- WHEREAS:** The Corporation’s Investment Committee has reviewed and considered the proposed issuance of incentives under the Rebuild RI Tax Credit Act and the TIF Act 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 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, a sales and use tax exemption to the Recipient in accordance with the Rebuild RI Tax Credit Act and the Rules as well as preliminarily approval of a TIF incentive to the Recipient.



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 Fifteen Million Dollars (\$15,000,000) and authorizes a sales and use tax exemption in addition to the tax credits of One Million Five Hundred Ninety-Seven Thousand Thirty-Six Dollars (\$1,597,036) with any sales and use tax exemption exceeding said amount reducing the tax credits awarded hereunder dollar for dollar.
2. To accomplish the purposes of the TIF Act, the Corporation approves the designation of the area identified in Exhibit 1 as a Qualifying TIF Area under the TIF Act and related regulations (the "TIF Rules"), subject to future determination of the TIF incentive amount under the TIF Act. The Corporation also approves the pledge of the following revenue as a payment in lieu of taxes as permitted under Rule 18 of the TIF Rules, subject to final approval of a TIF incentive by the Board:
  - a. Seventy-five percent (75%) of the Net New Revenues (as defined in the TIF Rules) derived from the sales tax imposed under RIGL §44-18-18 and seventy-five (75%) percent of the Net New Revenues from Corporation's twenty-four percent (24%) share of the five percent (5%) hotel tax imposed under RIGL § 44-18-36.1(a).
3. The authorization provided for incentives under the Rebuild RI Tax Credit Act 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.
4. 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 the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the

Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (e) 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; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 3); (i) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Commercial Project; (j) the Department of Revenue has issued a Revenue Increment Base certificate, a copy of which is annexed hereto as Exhibit 1.

5. 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 4).
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 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.
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.
10. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

# Rhode Island Department of Revenue Division of Taxation

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

**To:** Board of Directors, Rhode Island Commerce Corporation

**Re:** Revenue Increment Base Certification for the SSL Partner, LLC TIF Application

**Date:** February 17, 2017

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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 SSL Partner, 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 SSL Partner, LLC in which the relevant tax streams will be the sales and hotel 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 and office building with a ground floor café in the City of Providence.
- The proposed qualifying TIF area for the Application is on the reclaimed I-195 lands located on Parcels 22 and 25 in the City of Providence. The location, depicted in the map attached in Exhibit A, is on the parcels that are bordered by Dyer and Clifford Streets.
- The Corporation has determined, in its discretion, 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 TIF Agreement is anticipated to be entered into in the 2017 calendar year.

The Division of Taxation has determined that no Rhode Island sales tax or hotel tax was collected or assessed in the proposed qualifying TIF area for the calendar year 2016. 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 (shaded in green)

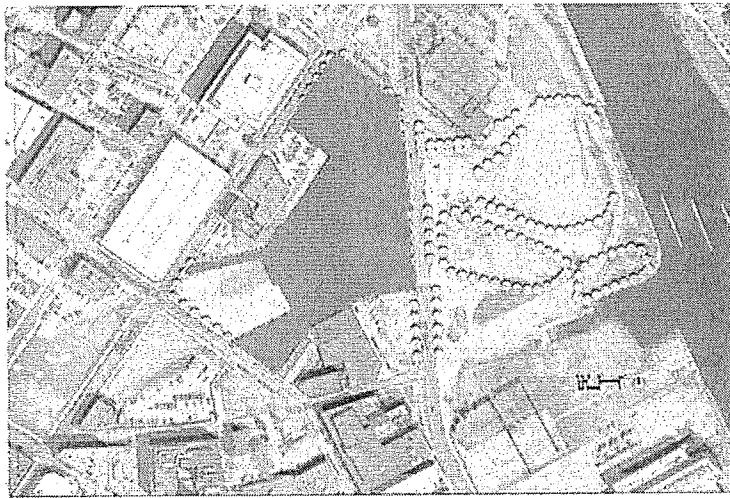


EXHIBIT 2

**From:** Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Darin Early, 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 1, 2017

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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 SSL, LLC for tax credits of \$15,000,000 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 3





STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
**DEPARTMENT OF ADMINISTRATION**

**OFFICE of MANAGEMENT & BUDGET**

Office: (401) 574-8430

One Capitol Hill  
Providence, RI 02908-5890

**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:** May 1, 2017

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") two new projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$23,354,910.00. That recommendation is as follows:

1. That the application submitted by SSL Partner, LLC be approved for tax credits in a maximum amount of \$15,000,000.00.
2. That the application submitted by Wexford Science & Technology, LLC be approved for tax credits in a maximum amount of \$8,354,910.00.

The Corporation is also recommending to the Board that the application of Case Mead Assoc., LLC initially approved on February 22, 2016 be amended from an award in a maximum amount of \$2,179,977.00 to an award in the maximum amount of \$1,588,798.00.

As of February 27, 2017, the Corporation had approved tax credits and/or loans under the program in the amount of \$57,943,713.92. The approval of an additional \$23,354,910.00 in tax credits, along with the reduction in the award to Case Mead Assoc., LLC in the amount of \$591,179, would bring the cumulative total of approved credits and/or loans to \$80,707,444.92. Currently twenty-six 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 total maximum amount of credits and/or loans proposed above, i.e. \$23,354,910.00, 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 this 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 A**

**Fiscal Year Impact of Proposed Rebuild Rhode Island Tax Credit Projects**

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<b>Projects Confirmed as of 1/25/16</b>											
Bourne Capital Partners	\$0.00	\$0.00	\$637,688.00	\$641,518.00	\$484,598.00	\$484,598.00	\$484,598.00	\$0.00	\$0.00	\$0.00	\$2,733,000.00
John M. Corcoran & Co.	\$0.00	\$0.00	\$1,675,000.00	\$977,083.33	\$977,083.33	\$977,083.33	\$977,083.33	\$0.00	\$0.00	\$0.00	\$5,583,333.32
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,312,688.00	\$1,618,601.33	\$1,461,681.33	\$1,461,681.33	\$1,461,681.33	\$0.00	\$0.00	\$0.00	\$8,316,333.32
<b>Projects Confirmed as of 2/22/16</b>											
Waldorf Capital Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Case Mead Association, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Projects Confirmed as of 3/28/16</b>											
Providence Capital III	\$0.00	\$0.00	\$546,485.60	\$910,810.00	\$667,927.80	\$455,404.40	\$455,404.40	\$0.00	\$0.00	\$0.00	\$3,036,032.20
78 Fountain JV Owner, LLC	\$0.00	\$0.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,023.00	\$0.00	\$0.00	\$0.00	\$6,115,119.00
WinnDevelopment and Omni Development	\$0.00	\$0.00	\$1,097,280.00	\$914,400.00	\$548,640.00	\$548,640.00	\$548,640.00	\$0.00	\$0.00	\$0.00	\$3,657,600.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,866,789.60	\$3,048,234.00	\$2,439,591.80	\$2,227,068.40	\$2,227,067.40	\$0.00	\$0.00	\$0.00	\$12,808,751.20
<b>Projects Confirmed as of 5/9/16</b>											
AT Cross Company	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Subtotal:</b>	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Projects Confirmed as of 5/23/16</b>											
Union Mill LLC	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Projects Confirmed as 6/27/16</b>											
D'Ambra Warwick Hotel LLC	\$0.00	\$0.00	\$273,399.00	\$273,398.00	\$273,398.00	\$273,398.00	\$273,398.00	\$0.00	\$0.00	\$0.00	\$1,366,991.00
Ocean State Jobbers, Inc.	\$0.00	\$0.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$3,100,000.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$893,399.00	\$893,398.00	\$893,398.00	\$893,398.00	\$893,398.00	\$0.00	\$0.00	\$0.00	\$4,466,991.00
<b>Projects Confirmed as 8/10/16</b>											
Finlay Extracts & Ingredients USA, Inc.	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Projects Confirmed as 8/22/16</b>											
Lippitt Mill LLC	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0.00	\$0.00	\$0.00	\$2,103,501.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0.00	\$0.00	\$0.00	\$2,103,501.00
<b>Projects Confirmed as 9/26/16</b>											
Urban Smart Growth, LLC	\$0.00	\$0.00	\$713,932.00	\$713,932.00	\$713,931.00	\$713,931.00	\$713,931.00	\$0.00	\$0.00	\$0.00	\$3,569,657.00
Royal Oaks Realty, LLC	\$0.00	\$0.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,434.00	\$0.00	\$0.00	\$0.00	\$2,517,174.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$1,217,367.00	\$1,217,367.00	\$1,217,366.00	\$1,217,366.00	\$1,217,365.00	\$0.00	\$0.00	\$0.00	\$6,086,831.00

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<b>Projects Confirmed as 11/21/16</b>											
City of Newport	\$0.00	\$0.00	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0.00	\$0.00	\$0.00	\$2,128,123.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0.00	\$0.00	\$0.00	\$2,128,123.00
<b>Projects Confirmed as 12/19/16</b>											
Chestnut Commons	\$0.00	\$0.00	\$0.00	\$595,072.00	\$595,071.00	\$595,071.00	\$595,071.00	\$595,071.00	\$0.00	\$0.00	\$2,975,356.00
Virgin Pulse	\$0.00	\$301,924.80	\$251,604.00	\$150,962.40	\$150,962.40	\$821,216.40	\$558,545.50	\$335,127.30	\$335,127.30	\$335,127.30	\$3,240,597.40
<b>Subtotal:</b>	\$0.00	\$301,924.80	\$251,604.00	\$746,034.40	\$746,033.40	\$1,416,287.40	\$1,153,616.50	\$930,198.30	\$335,127.30	\$335,127.30	\$6,215,953.40
<b>Projects Confirmed as 1/23/17</b>											
Downeity	\$0.00	\$0.00	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0.00	\$0.00	\$0.00	\$7,320,506.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0.00	\$0.00	\$0.00	\$7,320,506.00
<b>Projects Confirmed as 2/27/17</b>											
SAT Development LLC	\$0.00	\$0.00	\$0.00	\$298,500.00	\$248,750.00	\$149,250.00	\$149,250.00	\$149,250.00	\$0.00	\$0.00	\$995,000.00
Agoda Travel Operations USA Inc.	\$0.00	\$0.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,674.00	\$0.00	\$0.00	\$0.00	\$1,018,374.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$203,675.00	\$502,175.00	\$452,425.00	\$352,925.00	\$352,924.00	\$149,250.00	\$0.00	\$0.00	\$2,013,374.00
<b>Projects Confirmed as 5/1/17</b>											
SSL Partner, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$0.00	\$15,000,000.00
Wexford Science & Technology, LLC <sup>(1)</sup>	\$0.00	\$0.00	\$0.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$0.00	\$0.00	\$8,354,910.00
Case Mead Association, LLC <sup>(2)</sup>	\$0.00	\$0.00	\$317,760.00	\$317,760.00	\$317,760.00	\$317,759.00	\$317,759.00	\$0.00	\$0.00	\$0.00	\$1,588,798.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$317,760.00	\$1,988,742.00	\$4,988,742.00	\$4,988,741.00	\$4,988,741.00	\$4,670,982.00	\$3,000,000.00	\$0.00	\$24,943,708.00
<b>ALL PROJECTS TOTAL</b>	\$0.00	\$381,924.80	\$12,159,246.20	\$13,531,678.33	\$14,984,313.13	\$15,256,135.73	\$14,913,461.83	\$5,770,430.30	\$3,355,127.30	\$355,127.30	\$80,707,444.92

Notes  
(1) River House  
(2) Amended

EXHIBIT 4

**Rhode Island Commerce Corporation**  
**Rebuild Rhode Island Tax Credits – Economic Impact Analysis**  
***SSL Partner, LLC Application***

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to SSL Partner, LLC (the “Sponsor”), a subsidiary of Wexford Science + Technology. The credits would be issued in connection with the Sponsor’s decision to invest in the development of an approximately 191,000 square-foot office building/innovation center which will include office, research and education space as well as an approximately 9,300 square-foot District Hall and Café, a meeting and event space that would be open to the public. The project is part of the first phase of a proposed three-phase, mixed-use development on Parcels 22 and 25 in the I-195 Redevelopment District in Providence. A second element of Phase One – an approximately 164-room Aloft Hotel with ground floor retail – is not included in the Sponsor’s application for Rebuild Rhode Island tax credits and thus the economic impacts associated with the future hotel are not considered in this analysis.

The Sponsor estimates that total project cost for the project will be approximately \$104.7 million, which includes base building costs, tenant improvements, and operating incentives for an anchor tenant, the Cambridge Innovation Center.

The Sponsor is requesting:

- A Rebuild Rhode Island tax credit of \$14,481,632 which is anticipated to be redeemed for a value of \$13,033,469; and
- A sales and use tax exemption (valued at \$2,013,658) requested by the Sponsor on eligible office building construction and build-out costs.

Other incentives already approved include:

- Base building and tenant improvement and inducement subsidies for the office building and District Hall totaling \$18,500,000, to be paid from the I-195 Fund;
- A contribution of land from the I-195 Redevelopment District Commission.

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 \$104.7 million.

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

Component	Estimated cost
Land acquisition	\$3.9
Building construction (hard cost)	\$54.1
Tenant improvements	\$25.2
Soft costs	\$18.4
Developer's fee	\$3.1
<b>Total</b>	<b>\$104.7</b>

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island's economy (such as property acquisition and interest costs), the remaining hard and soft costs total \$91.3 million. Applesseed estimates that direct expenditures of \$91.3 million will directly and indirectly generate:

- 679 person-years<sup>1</sup> of work in Rhode Island;
- \$40.7 million in earnings;
- \$116.0 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$62.0 million in Rhode Island's GDP.

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

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

	Employment	Earnings	Value added	Output
Direct Effect	515	\$31.5	\$47.1	\$91.3
Indirect Effect	164	9.2	14.9	24.7

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

<sup>2</sup> 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.

<b>Total Effect</b>	<b>679</b>	<b>\$40.7</b>	<b>\$62.0</b>	<b>\$116.0</b>
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In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$91.3 million would generate a projected one-time increase of \$2.384 million in taxes paid to the state during construction, including:

- \$1.525 million in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$666,000 in state sales taxes paid on those workers' taxable household spending;
- \$193,000 in state business corporation taxes

Most of the activity reflected in Table 2 is expected to occur between mid to late-2017 and mid to late-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**

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

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

***Annual operations***

After construction is completed, ongoing operations at the Innovation Center will include:

- The operations of office tenant businesses, including shared office and co-working space to be leased and managed by Cambridge Innovation Center
- District Hall, a public meeting space and café, also managed by Cambridge Innovation Center
- Brown University's School of Professional Studies

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015



As shown in Table 4, we estimate based on information provided by the Sponsor that when the project is completed and fully occupied, 814 people will be directly employed at the new office building/innovation center.

**Table 4: Current estimates of employment by business type, 2019**

<b>Business type</b>	<b>Jobs</b>
Office tenants and shared space users <sup>4</sup>	706
Brown University	100
Food service	8
<b>Total</b>	<b>814</b>

Because approximately 90 of the estimated 100 employees of the Brown University School of Professional Studies who will be moving into the new building in 2020 represent already-existing Rhode Island jobs, we have included only 10 of the 100 Brown jobs in our analysis of the proposed development's economic impact. Similarly, for purposes of this analysis, one-third of the 260 positions associated with shared office space users were assumed to be already-existing Rhode Island jobs. These 87 jobs are also excluded from our analysis, leaving a total of 637 new jobs in Rhode Island directly associated with Wexford's proposed office building/innovation center.

Based on these job estimates, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied, it will directly and indirectly account for:

- 1,106 FTE jobs in Rhode Island;
- Approximately \$81.9 million in annual earnings (in 2020 dollars);
- Approximately \$232.4 million in annual statewide economic output; and
- An increase of approximately \$121.1 million in Rhode Island's annual GDP.

**Table 5: Direct and indirect annual impact of ongoing operations from net new jobs in Rhode Island (employment in FTE; income, value-added and output in millions of 2020 dollars)**

	<b>Employment</b>	<b>Earnings</b>	<b>Value added</b>	<b>Output</b>
Direct Effect	637	\$50.0	\$73.0	\$153.4
Indirect Effect	469	31.9	48.1	79.0
<b>Total Effect</b>	<b>1,106</b>	<b>\$81.9</b>	<b>\$121.1</b>	<b>\$232.4</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, office, research, educational and food service tenant operations would generate a projected increase of nearly \$4.81 million in taxes paid annually to the state, including:

<sup>4</sup> For purposes of this analysis we have assumed that office tenants will include a mix of research and development, information technology, digital media, professional and technical services and investment firms.

- \$3.07 million in state personal income taxes paid by Rhode Island workers employed by office building tenants, or whose jobs are indirectly attributable to office tenant operations;
- \$1.34 in state sales taxes paid on those workers' taxable household spending; and
- \$389,000 in state business corporation taxes.

Workers who fill jobs with office, research and university tenants are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

## Impact

The state fiscal impact of the requested Rebuild Rhode Island tax credits is up to \$14,481,632 in foregone state revenue; an additional \$2,013,658 in foregone state revenue resulting from the request for exemption of certain eligible construction and fit-out costs from the state sales tax.

Direct and indirect economic and fiscal benefits of the proposed project include the estimated annual state GDP increase of \$121.1 million, the estimated associated job creation, and the gross increase of more than \$60.1 million in personal income, sales and business corporation tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Contribute to the ongoing development of the Providence Innovation District
- Set the stage for completion of the second and third phases of Wexford's proposed development
- Help attract additional private investment in the I-195 Redevelopment District
- Enhance opportunities for commercialization of new technologies initially developed at Rhode Island's universities
- Provide growth space for Rhode Island-based technology start-ups
- Help attract and retain highly skilled young workers and entrepreneurs
- Provide amenities and resources – including shared office space, meeting and event space and educational programs that will benefit businesses in and residents of the wider community

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the tax credits will be payable only upon completion of the development. The risk of project cost overruns is mitigated by the fact that the tax credits are capped at the amount set forth above; and any increase in the value of the requested sales and use tax exemption would be offset by a corresponding reduction in the value of the Rebuild Rhode Island tax credits. In addition, if project costs come in lower than anticipated, the tax credits to be paid will be reduced accordingly. The future hotel development may also be eligible for an incentive through Tax

Increment Financing (TIF), and any net TIF incentive will offset the Rebuild Rhode Island tax credits on a dollar-for-dollar basis..

MAY 1, 2017 MEETING MINUTES

EXHIBIT F

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES  
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT  
May 1, 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, including loans, 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:** The Corporation received an application from Case Mead Assoc., LLC (together with its nominee or an assignee, the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a Residential Project (the “Project”) located at 68-76 Dorrance Street, Providence, RI, which is proposed to consist of approximately forty four (44) residential units and an estimated space for three (3) ground-floor retail units;
- WHEREAS:** The Board of Directors of the Corporation (“the Board”) previously voted to award the Recipient incentives under the Rebuild RI Tax Credit for the adaptive reuse of the Case Mead building in downtown Providence (“the Project”) on February 22, 2016 (the “Board Approval”);
- WHEREAS:** Subsequent to the Board Approval, the Recipient was awarded State Historic Tax Credits, which lowered the Project’s financial gap;
- WHEREAS:** Despite lowering the Project’s financial gap, the Recipient has discovered additional cost associated with completing the Project;
- WHEREAS:** The Corporation’s Investment Committee and Access to Capital Subcommittee have reviewed the Project and considered a proposed loan, proposed tax incentives, and a sales and use tax exemption to the Recipient and each 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 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 following incentives:
  - a. A sales and use tax exemption in an amount not to exceed Two Hundred Twenty-Five Thousand Dollars (\$225,000); and
  - b. Issuance of Tax Credits to the Recipient in an amount not to exceed Two Hundred Twenty-Three Thousand Four Hundred Ninety-Seven Dollars (\$223,497), or, at the discretion of any Authorized Officer and in lieu of the Tax Credits, a loan (the "Loan") to the Recipient in an amount not to exceed One Million Five Hundred Eighty Eight Thousand Seven Hundred Ninety-Eight Dollars (\$1,588,798), subject to the verification of the Project Financing Gap necessitating such loan resulting from the failure of certain contingencies as presented to the Board.
2. Any sales and use tax exemption in excess of Two Hundred Twenty-Five Thousand Dollars (\$225,000) shall reduce the amount of the Tax Credits or the Loan dollar for dollar.
3. The authorization provided herein is subject to the following conditions:
  - a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act, which agreement shall expressly provide, as applicable, that the Loan will not be a general obligation of the Corporation and shall otherwise be in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Authorized Officer;
  - b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of Certification to the Recipient; 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.
4. 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 the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (d) there is a Project Financing Gap for the Project such

that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Rebuild RI Tax Credit Act and the Rules; (e) the total amount of the Loan is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (f) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (g) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (h) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); (i) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Residential Project; and (j) the award of the Loan meets the principles adopted by the Board in compliance with RIGL § 42-64-37.

5. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of Loan and 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).
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 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.
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 and empowered 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 all as such any one of the Authorized Officers deems appropriate in his or her discretion.
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 passage.



EXHIBIT 1

**From:** Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Darin Early, 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 1, 2017

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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 application of Case Mead Assoc., LLC for Tax Credits in an amount not to exceed \$223,497 or, subject to contingencies as presented to the Board, a loan under the program in the maximum amount of \$1,588,798, for a mixed-use 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 loan 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:** May 1, 2017

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") two new projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$23,354,910.00. That recommendation is as follows:

1. That the application submitted by SSL Partner, LLC be approved for tax credits in a maximum amount of \$15,000,000.00.
2. That the application submitted by Wexford Science & Technology, LLC be approved for tax credits in a maximum amount of \$8,354,910.00.

The Corporation is also recommending to the Board that the application of Case Mead Assoc., LLC initially approved on February 22, 2016 be amended from an award in a maximum amount of \$2,179,977.00 to an award in the maximum amount of \$1,588,798.00.

As of February 27, 2017, the Corporation had approved tax credits and/or loans under the program in the amount of \$57,943,713.92. The approval of an additional \$23,354,910.00 in tax credits, along with the reduction in the award to Case Mead Assoc., LLC in the amount of \$591,179, would bring the cumulative total of approved credits and/or loans to \$80,707,444.92. Currently twenty-six 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 total maximum amount of credits and/or loans proposed above, i.e. \$23,354,910.00, 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 this 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 A**

**Fiscal Year Impact of Proposed Rebuild Rhode Island Tax Credit Projects**

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<b>Projects Confirmed as of 1/25/16</b>											
Bourne Capital Partners	\$0.00	\$0.00	\$637,688.00	\$641,518.00	\$484,598.00	\$484,598.00	\$484,598.00	\$0.00	\$0.00	\$0.00	\$2,733,000.00
John M. Corcoran & Co.	\$0.00	\$0.00	\$1,675,000.00	\$977,083.33	\$977,083.33	\$977,083.33	\$977,083.33	\$0.00	\$0.00	\$0.00	\$5,583,333.32
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,312,688.00	\$1,618,601.33	\$1,461,681.33	\$1,461,681.33	\$1,461,681.33	\$0.00	\$0.00	\$0.00	\$8,316,333.32
<b>Projects Confirmed as of 2/22/16</b>											
Waldorf Capital Management	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Case Mead Association, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Projects Confirmed as of 3/28/16</b>											
Providence Capital III	\$0.00	\$0.00	\$546,485.60	\$910,810.00	\$667,927.80	\$455,404.40	\$455,404.40	\$0.00	\$0.00	\$0.00	\$3,036,032.20
78 Fountain JV Owner, LLC	\$0.00	\$0.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,024.00	\$1,223,023.00	\$0.00	\$0.00	\$0.00	\$6,115,119.00
WinnDevelopment and Omni Development	\$0.00	\$0.00	\$1,097,280.00	\$914,400.00	\$548,640.00	\$548,640.00	\$548,640.00	\$0.00	\$0.00	\$0.00	\$3,657,600.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,866,789.60	\$3,048,234.00	\$2,439,591.80	\$2,227,068.40	\$2,227,067.40	\$0.00	\$0.00	\$0.00	\$12,808,751.20
<b>Projects Confirmed as of 5/9/16</b>											
AT Cross Company	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Subtotal:</b>	\$0.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$0.00	\$0.00	\$0.00	\$400,000.00
<b>Projects Confirmed as of 5/23/16</b>											
Union Mill LLC	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$725,280.60	\$0.00	\$0.00	\$0.00	\$3,626,403.00
<b>Projects Confirmed as 6/27/16</b>											
D'Ambra Warwick Hotel LLC	\$0.00	\$0.00	\$273,399.00	\$273,398.00	\$273,398.00	\$273,398.00	\$273,398.00	\$0.00	\$0.00	\$0.00	\$1,366,991.00
Ocean State Jobbers, Inc.	\$0.00	\$0.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$620,000.00	\$0.00	\$0.00	\$0.00	\$3,100,000.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$893,399.00	\$893,398.00	\$893,398.00	\$893,398.00	\$893,398.00	\$0.00	\$0.00	\$0.00	\$4,466,991.00
<b>Projects Confirmed as 8/10/16</b>											
Finlay Extracts & Ingredients USA, Inc.	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$35,394.00	\$35,394.00	\$35,394.00	\$55,394.00	\$55,394.00	\$20,000.00	\$20,000.00	\$20,000.00	\$276,970.00
<b>Projects Confirmed as 8/22/16</b>											
Lippitt Mill LLC	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0.00	\$0.00	\$0.00	\$2,103,501.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$420,701.00	\$420,700.00	\$420,700.00	\$420,700.00	\$420,700.00	\$0.00	\$0.00	\$0.00	\$2,103,501.00
<b>Projects Confirmed as 9/26/16</b>											
Urban Smart Growth, LLC	\$0.00	\$0.00	\$713,932.00	\$713,932.00	\$713,931.00	\$713,931.00	\$713,931.00	\$0.00	\$0.00	\$0.00	\$3,569,657.00
Royal Oaks Realty, LLC	\$0.00	\$0.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,435.00	\$503,434.00	\$0.00	\$0.00	\$0.00	\$2,517,174.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$1,217,367.00	\$1,217,367.00	\$1,217,366.00	\$1,217,366.00	\$1,217,365.00	\$0.00	\$0.00	\$0.00	\$6,086,831.00

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Total
<b>Projects Confirmed as 11/21/16</b>											
City of Newport	\$0.00	\$0.00	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0.00	\$0.00	\$0.00	\$2,128,123.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$638,437.00	\$425,625.00	\$425,625.00	\$319,218.00	\$319,218.00	\$0.00	\$0.00	\$0.00	\$2,128,123.00
<b>Projects Confirmed as 12/19/16</b>											
Chestnut Commons	\$0.00	\$0.00	\$0.00	\$595,072.00	\$595,071.00	\$595,071.00	\$595,071.00	\$595,071.00	\$0.00	\$0.00	\$2,975,356.00
Virgin Pulse	\$0.00	\$301,924.80	\$251,604.00	\$150,962.40	\$150,962.40	\$821,216.40	\$558,545.50	\$335,127.30	\$335,127.30	\$335,127.30	\$3,240,597.40
<b>Subtotal:</b>	\$0.00	\$301,924.80	\$251,604.00	\$746,034.40	\$746,033.40	\$1,416,287.40	\$1,153,616.50	\$930,198.30	\$335,127.30	\$335,127.30	\$6,215,953.40
<b>Projects Confirmed as 1/23/17</b>											
Downcity	\$0.00	\$0.00	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0.00	\$0.00	\$0.00	\$7,320,506.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$2,196,151.00	\$1,830,127.00	\$1,098,076.00	\$1,098,076.00	\$1,098,076.00	\$0.00	\$0.00	\$0.00	\$7,320,506.00
<b>Projects Confirmed as 2/27/17</b>											
SAT Development LLC	\$0.00	\$0.00	\$0.00	\$298,500.00	\$248,750.00	\$149,250.00	\$149,250.00	\$149,250.00	\$0.00	\$0.00	\$995,000.00
Agoda Travel Operations USA Inc.	\$0.00	\$0.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,675.00	\$203,674.00	\$0.00	\$0.00	\$0.00	\$1,018,374.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$203,675.00	\$502,175.00	\$452,425.00	\$352,925.00	\$352,924.00	\$149,250.00	\$0.00	\$0.00	\$2,013,374.00
<b>Projects Confirmed as 5/1/17</b>											
SSL Partner, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$3,000,000.00	\$0.00	\$15,000,000.00
Wexford Science & Technology, LLC <sup>(1)</sup>	\$0.00	\$0.00	\$0.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$1,670,982.00	\$0.00	\$0.00	\$8,354,910.00
Case Mead Association, LLC <sup>(2)</sup>	\$0.00	\$0.00	\$317,760.00	\$317,760.00	\$317,760.00	\$317,759.00	\$317,759.00	\$0.00	\$0.00	\$0.00	\$1,588,798.00
<b>Subtotal:</b>	\$0.00	\$0.00	\$317,760.00	\$1,988,742.00	\$4,988,742.00	\$4,988,741.00	\$4,988,741.00	\$4,670,982.00	\$3,000,000.00	\$0.00	\$24,943,708.00
<b>ALL PROJECTS TOTAL</b>	\$0.00	\$381,924.80	\$12,159,246.20	\$13,531,678.33	\$14,984,313.13	\$15,256,135.73	\$14,913,461.83	\$5,770,430.30	\$3,355,127.30	\$355,127.30	\$80,707,444.92

Notes

(1) River House

(2) Amended

EXHIBIT 3



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

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits or a loan to Case Mead Associates LLC (the “Sponsor”). It is managed by Joseph R. Paolino, Jr., the Managing Partner of Paolino Properties. The credits or the loan would be issued in connection with the Sponsor’s decision to invest in the redevelopment of the Case Mead Building, located at 68-76 Dorrance Street in Providence. The project will consist of the rehabilitation of the building exterior, the development of 44 residential micro lofts, and the construction of a second means of egress. The total cost of the proposed project is estimated to be approximately \$11 million.

The Sponsor is requesting Rebuild Rhode Island Tax Credits of \$248,330 or, in the event that the construction lender reduces the project’s construction loan, the Sponsor is requesting a loan of up to \$1.6 million. The Sponsor is also seeking a sales and use tax exemption for its eligible construction and build-out costs with an estimated value of \$225,000.

This analysis was prepared by Appleaseed, 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 \$11 million.

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

<b>Component</b>	<b>Estimated cost</b>
Land	\$1.6
Construction	\$7.3
Soft costs	\$1.5
Fixtures, furniture and equipment	\$0.6
<b>Total</b>	<b>\$11.0</b>

After excluding certain costs that do not have a direct, current impact on Rhode Island’s economy (such as land acquisition), Appleaseed estimates that the remaining hard and soft costs

total \$9.5 million. Applesseed estimates that direct expenditures of \$9.5 million will directly and indirectly generate:

- 74 person-years<sup>1</sup> of work in Rhode Island;
- More than \$4.0 million in earnings;
- More than \$12.5 million in statewide economic output<sup>2</sup>; and
- A one-time increase of nearly \$6.5 million in Rhode Island's GDP.

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

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

	Employment	Earnings	Value added	Output
Direct Effect	46	\$2.7	\$4.3	\$9.0
Indirect Effect	28	\$1.3	\$2.2	\$3.5
<b>Total Effect</b>	<b>74</b>	<b>\$4.0</b>	<b>\$6.5</b>	<b>\$12.5</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$9.5 million would generate a projected one-time increase of approximately \$235,000 in taxes paid to the State during construction, including:

- \$150,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$66,000 in state sales taxes paid on those workers' taxable household spending;
- \$19,000 in state business corporation taxes

Most of the activity reflected in Table 2 will occur during a nineteen-month construction period (estimated to be 2017-2018). The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

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

<sup>2</sup> 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 <sup>3</sup>
Architect	\$40.76
Construction manager	\$54.17
Carpenter	\$21.04
Electrician	\$24.86
Plumber	\$23.54
Painter	\$18.10
Laborer	\$18.33

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

### **Annual operations**

The Sponsor estimates that when the project is completed, two workers will be employed to manage and maintain the building, each with annual earnings of \$45,000. Upon stabilization, other operating costs are estimated at \$243,399. Based on these estimates, Appleseed projects (as shown below in Table 4), that when the project is completed and fully occupied (which is estimated to occur in 2018), it will directly and indirectly account for:

- 4 full-time equivalent jobs in Rhode Island, with approximately \$168,000 in annual earnings (in 2019 dollars);
- Approximately \$443,000 in annual statewide economic output;
- An increase of \$258,000 in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	3 <sup>4</sup>	\$132	\$196	\$334
Indirect Effect	1	\$36	\$62	\$109
<b>Total Effect</b>	<b>4</b>	<b>\$168</b>	<b>\$258</b>	<b>\$443</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, ongoing operations of the completed project would generate approximately \$9,900 in taxes paid annually to the State, including:

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2015

<sup>4</sup> Direct employment includes both the two workers cited above and 1 FTE with contract service providers

- \$6,300 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$2,800 in state sales taxes paid on those workers' taxable household spending;
- \$800 in state business corporation taxes

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

## **Impact**

The state fiscal impacts of the requested tax credits and the sales and use tax exemption is up to \$448,497 in state tax credits and foregone state revenue. Alternatively, if the loan option is exercised, the state fiscal impacts of the requested loan and the sales and use tax exemption is up to \$1,813,798 in state loans and foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated annual state GDP increase of \$258,000, the estimated associated job creation, and the gross increase of approximately \$354,000 in state personal income, sales and business corporation tax revenues during the construction phase and ongoing operations during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

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

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

TAB 2

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

**May 22, 2017**

**APPROVED**

**VOTED:** To approve TPG 100 Sabin Hotel, 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  
May 22, 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 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 applications for tax credits from TPG 100 Sabin Hotel, LLC (the "Recipient") under the Rebuild RI Tax Credit Act in relation to a ground-up hotel development (the "Project") located at 100 Sabin Street, Providence, which is proposed to consist of approximately one hundred seventy-six hotel rooms and 6,000 square feet of retail space; 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 Three Hundred Eleven Thousand Nine Hundred Thirty-Eight Dollars (\$1,311,938) 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.
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.

EXHIBIT 1

**From:** Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Darin Early, 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 22, 2017

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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 applications of TPG 100 Sabin Hotel, LLC for tax credits of \$100,000.

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**  
*TPG 100 Sabin Hotel LLC Application*

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to TPG 100 Sabin Hotel LLC (the “Sponsor”), an entity owned by the Procaccianti Companies. The credits would be issued in connection with the Sponsor’s decision to invest in the development of a new, 176-room Residence Inn by Marriott extended-stay hotel. The project would also include the development of 6,000 square feet of third-party retail space. The total cost of the proposed project is estimated to be nearly \$59.8 million.

The Sponsor is requesting:

- A Rebuild Rhode Island tax credit with a gross value of \$100,000;
- A sales and use tax exemption on eligible construction and fit-out costs, valued at nearly \$1.3 million; and
- \$6,000,000 in tax increment financing (TIF).

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 costs is nearly \$59.8 million.

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

<b>Component</b>	<b>Estimated cost</b>
Property cost	\$2.5
Construction (hard cost)	\$43.7
Soft costs	\$13.6
<b>Total</b>	<b>\$59.8</b>

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island’s economy (such as site acquisition and interest payments), the remaining hard and soft costs total \$55.9 million. Using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleseed estimates that direct expenditures of \$55.9 million will directly and indirectly generate:

- 383 person-years<sup>1</sup> of work in Rhode Island;
- \$23.0 million in earnings (in 2018 dollars);
- Approximately \$66.1 million in statewide economic output<sup>2</sup>; and
- A one-time increase of more than \$35.3 million in Rhode Island’s GDP.

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

<sup>2</sup> 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.

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

**Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2018 dollars)**

	Employment	Earnings	Value added	Output
Direct Effect	290	\$17.8	\$27.0	\$52.2
Indirect Effect	93	5.2	8.3	13.9
<b>Total Effect</b>	<b>383</b>	<b>\$23.0</b>	<b>\$35.3</b>	<b>\$66.1</b>

In addition to the impacts cited in Table 2, direct expenditures of \$55.9 million would directly and indirectly generate a projected one-time increase of approximately \$1.35 million in taxes paid to the State during construction (a total that excludes approximately \$1.3 million in state sales and use taxes on construction materials for which the Sponsor has requested an exemption). This increase of \$1.35 million would include approximately:

- \$863,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$377,000 in state sales taxes paid on those workers' taxable household spending; and
- \$109,000 in state business corporation taxes paid by companies directly or indirectly working on the project.

Most of the activity reflected in Table 2 is expected to occur between the spring of 2017 and the end of 2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

**Table 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
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 has stated that after the project is completed (expected to occur in 2018), the proposed Residence Inn would employ 30 to 40 people. For purposes of this analysis, Applesseed assumes that the hotel will employ 35.

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2016

The Sponsor expects that the proposed 6,000 square feet of ground-floor retail space would be occupied by a restaurant employing 30 people.

Using IMPLAN, Appleseed estimates that the ongoing operations of the proposed hotel and restaurant together would directly and indirectly account for:

- 76 FTE jobs in Rhode Island;
- Nearly \$2.9 million in annual earnings (in 2019 dollars);
- Nearly \$8.4 million in annual statewide economic output; and
- An increase of approximately \$5.2 million in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	65	\$2.2	\$4.2	\$6.6
Indirect Effect	11	0.7	1.0	1.8
<b>Total Effect</b>	<b>76</b>	<b>\$2.9</b>	<b>\$5.2</b>	<b>\$8.4</b>

Workers who fill new hotel and restaurant jobs are expected to be drawn primarily from Providence and from other nearby communities.

In addition to the impacts cited in Table 4, ongoing operations at the new Residence Inn would directly and indirectly generate a projected increase of approximately \$937,000 in taxes paid annually to the state. These taxes would include approximately:

- \$769,000 in state sales and hotel taxes paid on room rents and restaurant bills
- \$108,000 in state personal income taxes paid by Rhode Island workers employed directly by the Residence Inn or by the restaurant, or whose jobs are indirectly attributable to those businesses;
- \$47,000 in state sales taxes paid on those workers' taxable household spending; and
- \$13,000 in state business corporation taxes directly or indirectly attributable to hotel and restaurant operations.

### Impact

The state fiscal impact of the requested tax credits and sales tax exemption is up to \$7.4 million in foregone state revenues. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$5.2 million in annual state GDP, the estimated associated job creation, and a gross increase of approximately \$12.6 million in personal income, sales, hotel and business corporation tax revenues during the construction phase and during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Add new hotel capacity in a segment of the market that is not now well-served in the Downcity area
- Support the Convention Center and the arena by providing a new dining option immediately across the street
- Increase local property tax and hotel tax-revenues



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

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

May 22, 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 64.21 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 TPG 100 Sabin Hotel, LLC (the "Recipient") under the TIF Act in relation to a project (the "Project") located at 100 Sabin Street, Providence, which is proposed to consist of a ground-up hotel development that will contain approximately one hundred seventy-six hotel rooms and 6,000 square feet of retail space;

**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 in an amount not to exceed the Project Financing Gap.
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 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.

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  
Darin Early, President and Chief Operating Officer of the Rhode Island Commerce Corporation  
**To:** Board of Directors, Rhode Island Commerce Corporation  
**Re:** Tax Increment Financing Credit Application  
**Date:** May 22, 2017

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The staff of the Rhode Island Commerce Corporation (the "Corporation") is recommending to the Board of Directors that it approve the application of TPG 100 Sabin Hotel, 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 Rule 13 of 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 at 100 Sabin Street, Providence, upon which the Project will be constructed.
3. The length of the TIF agreement shall be 20 years or fewer.
4. 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

EXHIBIT 3



# Rhode Island Commerce Corporation Rebuild Rhode Island Tax Credits – Economic Impact Analysis *TPG 100 Sabin Hotel LLC Application*

## Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island tax credits to TPG 100 Sabin Hotel LLC (the “Sponsor”), an entity owned by the Procaccianti Companies. The credits would be issued in connection with the Sponsor’s decision to invest in the development of a new, 176-room Residence Inn by Marriott extended-stay hotel. The project would also include the development of 6,000 square feet of third-party retail space. The total cost of the proposed project is estimated to be nearly \$59.8 million.

The Sponsor is requesting:

- A Rebuild Rhode Island tax credit with a gross value of \$100,000;
- A sales and use tax exemption on eligible construction and fit-out costs, valued at nearly \$1.3 million; and
- \$6,000,000 in tax increment financing (TIF).

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 costs is nearly \$59.8 million.

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

Component	Estimated cost
Property cost	\$2.5
Construction (hard cost)	\$43.7
Soft costs	\$13.6
<b>Total</b>	<b>\$59.8</b>

After excluding certain costs that for purposes of this analysis do not have a direct, current impact on Rhode Island’s economy (such as site acquisition and interest payments), the remaining hard and soft costs total \$55.9 million. Using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleseed estimates that direct expenditures of \$55.9 million will directly and indirectly generate:

- 383 person-years<sup>1</sup> of work in Rhode Island;
- \$23.0 million in earnings (in 2018 dollars);
- Approximately \$66.1 million in statewide economic output<sup>2</sup>; and
- A one-time increase of more than \$35.3 million in Rhode Island’s GDP.

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

<sup>2</sup> 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.

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

**Table 2: Direct and indirect impact of construction spending (employment in person-years; income, value-added and output in millions of 2018 dollars)**

	Employment	Earnings	Value added	Output
Direct Effect	290	\$17.8	\$27.0	\$52.2
Indirect Effect	93	5.2	8.3	13.9
<b>Total Effect</b>	<b>383</b>	<b>\$23.0</b>	<b>\$35.3</b>	<b>\$66.1</b>

In addition to the impacts cited in Table 2, direct expenditures of \$55.9 million would directly and indirectly generate a projected one-time increase of approximately \$1.35 million in taxes paid to the State during construction (a total that excludes approximately \$1.3 million in state sales and use taxes on construction materials for which the Sponsor has requested an exemption). This increase of \$1.35 million would include approximately:

- \$863,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$377,000 in state sales taxes paid on those workers' taxable household spending; and
- \$109,000 in state business corporation taxes paid by companies directly or indirectly working on the project.

Most of the activity reflected in Table 2 is expected to occur between the spring of 2017 and the end of 2018. The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island.

**Table 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
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 has stated that after the project is completed (expected to occur in 2018), the proposed Residence Inn would employ 30 to 40 people. For purposes of this analysis, Appleaseed assumes that the hotel will employ 35.

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2016

The Sponsor expects that the proposed 6,000 square feet of ground-floor retail space would be occupied by a restaurant employing 30 people.

Using IMPLAN, Appleseed estimates that the ongoing operations of the proposed hotel and restaurant together would directly and indirectly account for:

- 76 FTE jobs in Rhode Island;
- Nearly \$2.9 million in annual earnings (in 2019 dollars);
- Nearly \$8.4 million in annual statewide economic output; and
- An increase of approximately \$5.2 million in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	65	\$2.2	\$4.2	\$6.6
Indirect Effect	11	0.7	1.0	1.8
<b>Total Effect</b>	<b>76</b>	<b>\$2.9</b>	<b>\$5.2</b>	<b>\$8.4</b>

Workers who fill new hotel and restaurant jobs are expected to be drawn primarily from Providence and from other nearby communities.

In addition to the impacts cited in Table 4, ongoing operations at the new Residence Inn would directly and indirectly generate a projected increase of approximately \$937,000 in taxes paid annually to the state. These taxes would include approximately:

- \$769,000 in state sales and hotel taxes paid on room rents and restaurant bills
- \$108,000 in state personal income taxes paid by Rhode Island workers employed directly by the Residence Inn or by the restaurant, or whose jobs are indirectly attributable to those businesses;
- \$47,000 in state sales taxes paid on those workers' taxable household spending; and
- \$13,000 in state business corporation taxes directly or indirectly attributable to hotel and restaurant operations.

## Impact

The state fiscal impact of the requested tax credits and sales tax exemption is up to \$7.4 million in foregone state revenues. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase of \$5.2 million in annual state GDP, the estimated associated job creation, and a gross increase of approximately \$12.6 million in personal income, sales, hotel and business corporation tax revenues during the construction phase and during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Add new hotel capacity in a segment of the market that is not now well-served in the Downcity area
- Support the Convention Center and the arena by providing a new dining option immediately across the street
- Increase local property tax and hotel tax revenues

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

TAB 3

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

**May 22, 2017**

**APPROVED**

**VOTED:** To approve 110 North Main, LLC and 110 North Main Management, LLC for incentives under the Rebuild Rhode Island Tax Credit Act pursuant to the Resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS  
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT  
May 22, 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 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 applications for tax credits from 110 North Main, LLC and 110 North Main Management, LLC (the "Recipients") under the Rebuild RI Tax Credit Act in relation to a mixed-use development (the "Project") located at 169 Canal Street, Providence, 100 North Main Street, and 106-108 North Main Street, Providence, which are proposed to consist of approximately two hundred forty-seven residential units and approximately 10,000 square feet of retail space; 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 Three Million Dollars (\$3,000,000) and authorizes a sales and use tax

exemption in addition to the tax credits of One Million Dollars (\$1,000,000) 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.
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.

EXHIBIT 1

**From:** Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Darin Early, 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 22, 2017

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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 applications of 110 North Main, LLC and 110 North Main Management, LLC, for tax credits of \$3,000,000 for a Mixed-Use 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

EXHIBIT 3

**Rhode Island Commerce Corporation**  
**Rebuild Rhode Island Tax Credit – Economic Impact Analysis**  
**110 North Main LLC/110 North Main Management LLC Application**

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Rebuild Rhode Island Tax Credits to 110 North Main LLC and 110 North Main Management LLC (the “Sponsor”). The credits would be issued in connection with Sponsor’s proposed investment in the development of The Edge Providence, which includes construction of a new, mixed-use 15-story building at 169 Canal Street (122,775 gross square feet), and rehabilitation of existing buildings at 100 North Main Street (21,360 gross square feet) and 106-108 North Main Street (11,175 gross SF). The project is anticipated to create 247 residential units and approximately 10,000 square feet of retail space.

The Sponsor estimates the total cost of The Edge to be approximately \$56.9 million. The Sponsor is requesting a Rebuild Rhode Island Tax Credit of \$3,000,000, along with an exemption from state sales and use taxes on construction materials and certain other eligible costs totaling \$1,000,000.

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

**Jobs Analysis**

**Construction**

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$56.9 million.

**Table 1: The Edge estimated total project cost (\$ millions)**

<b>Component</b>	<b>Estimated cost</b>
Land acquisition	\$9.5
Construction (hard costs)	38.7
Soft costs	8.7
<b>Total</b>	<b>\$56.9</b>

After excluding certain expenditures (such as property acquisition and interest payments) that do not have a direct, current impact on Rhode Island’s economy, direct spending on construction (both hard and soft costs) is estimated to total approximately \$45.6 million. Appleseed estimates that direct expenditures of approximately \$45.6 million will directly and indirectly generate:

- 334 person-years<sup>1</sup> of work in Rhode Island, with \$19.8 million in earnings (in 2017 dollars);
- Approximately \$56.2 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$29.9 million in Rhode Island’s GDP.

<sup>1</sup> 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.

<sup>2</sup> 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.

These impacts are summarized below in Table 2. The project's *direct effect* is the impact of the Sponsor's direct spending on design, construction and related costs. Its *indirect effect* is the impact 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	253	\$15.3	\$22.7	\$44.2
Indirect Effect	81	\$4.5	\$7.2	\$12.0
<b>Total Effect</b>	<b>334</b>	<b>\$19.8</b>	<b>\$29.9</b>	<b>\$56.2</b>

In addition to the impacts on employment, earnings, output and state GDP cited above, direct spending of \$45.6 million would generate a projected one-time increase of approximately \$1.161 million in taxes paid to the State during construction, including:

- \$743,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$324,000 in state sales taxes paid on those workers' taxable household spending;
- \$94,000 in state business corporation taxes

Most of the activity reflected in Table 2 will occur during 2017 and 2018. The anticipated wage rates for construction jobs are shown below in Table 3.

**Table 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
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**

After construction is completed, ongoing operations at The Edge will include:

- The operations of tenant business (or businesses) occupying the proposed 10,087 square feet of street-level commercial space; and
- Management, operations and maintenance of the two buildings.

The Sponsor estimates that when fully operational the first-floor restaurant, café and fitness center tenants will directly employ 9 people full-time and 17 part-time. Assuming that all part-time workers will be employed half-time, we can estimate that ground-floor tenants will employ 17.5 people, on a full-time-equivalent basis. The Sponsor also estimates that 3 workers will be employed full-time and 2 part-time in the management, maintenance and operations of the two buildings.

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2016

Applesseed estimates (as shown below in Table 4), that when the project is completed and fully occupied (which for purposes of this analysis is assumed to occur in the fall of 2018), it will directly and indirectly account for:

- 31 FTE jobs in Rhode Island;
- Approximately \$886,000 in annual earnings (in 2018 dollars);
- Approximately \$2.573 million in annual statewide economic output; and
- An increase of approximately \$1.487 million in Rhode Island's annual GDP.

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

	Employment	Earnings	Value added	Output
Direct Effect	28 <sup>4</sup>	\$0.689	\$1.115	\$1.942
Indirect Effect	3	0.197	0.372	0.631
<b>Total Effect</b>	<b>31</b>	<b>\$0.886</b>	<b>\$1.487</b>	<b>\$2.573</b>

In addition to the impacts cited in Table 4, ongoing operations at The Edge would directly and indirectly generate a projected increase of approximately \$52,000 in taxes paid annually to the State. These taxes would include approximately:

- \$33,000 in state personal income taxes paid by Rhode Island workers employed directly at The Edge, or whose jobs are indirectly attributable to tenant and building operations;
- \$15,000 in state sales taxes paid on those workers' taxable household spending; and
- \$4,000 in state business corporation taxes directly or indirectly attributable to building and tenant company operations.

Workers who fill restaurant, fitness center and building services jobs at The Edge are expected to be drawn primarily from Providence or from other nearby communities.

### Impact

The state fiscal impact of the requested tax credits and sales and use tax exemptions is up to \$4,000,000 in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated one-time, construction-related increase in state GDP of \$29.9 million, followed by an increase in annual state GDP of \$2.57 million, the estimated associated job creation, and the gross increase of \$1.78 million in state personal income, sales and business corporation tax revenues during the construction phase and during the twelve years following the completion of the project. These benefits are detailed in the foregoing analysis. In addition to the economic and tax revenue impacts cited above, the proposed project would benefit Rhode Island in several other ways.

- Providing an attractive new residential option for students, located within a short walk from the Rhode Island School of Design and Brown University's College Hill campus.
- Shifting students' demand for off-campus housing away from the broader housing market.
- Increasing local real property tax revenues.

<sup>4</sup> In addition to direct employment in tenant businesses and building management and maintenance, this estimate includes direct employment with contract service providers.

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In addition, various features of the program mitigate risk to the state. The risk of project cost overruns is mitigated by the fact that tax credits and the value of the requested sales tax exemption are capped at the amounts set forth above. In addition, if project costs come in lower than anticipated, the value of the requested tax credits and sales and use tax exemption would be reduced accordingly.