

RHODE ISLAND COMMERCE CORPORATION

AGENDA

February 5, 2021

Call to order and opening remarks.

Tab 1: To consider the approval of meeting minutes.

Tab 2: To consider incentives for a proposed project by a to-be-formed affiliate(s) of Fortuitous Partners, L.L.C. pursuant to R.I. Gen. Laws Chapter 45-33.4 and the Rebuild Rhode Island Tax Credit program.*

Tab 3: To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

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

TAB 1

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

February 5, 2021

APPROVED

VOTED: To approve the public session meeting minutes for the January 29, 2021 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
January 29, 2021

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on January 29, 2021, in Public Session, beginning at 3:00 p.m. via telephonic conference, pursuant to Executive Order 20-46 and pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Ronald O’Hanley, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: Bernard Buonanno, III and Tim Hebert.

Also present were: Secretary of Commerce Stefan Pryor; Jesse Saglio, President & COO; and Christopher Fragomeni, Esq.

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

The Governor noted that this meeting would likely be her last meeting as Chairperson of the Board and thanked the Board members for their service to the State. She noted that after her election as Governor, the Board proactively engaged in efforts to develop the State’s economy by creating a small business loan fund, a I-195 redevelopment project fund, innovation grant programs, cluster grant programs, and tax incentive programs, such as the Rebuild Rhode Island Tax Credit program. She further noted that the year before her election as Governor, the State had \$84 million of commercial investment, but in her third year as Governor, that number increased to \$1.5 billion. She further noted the ongoing development of over two million square feet of space on the prior I-195 land and the numerous companies that have relocated to the State and created thousands of jobs. Mr. McNally, Dr. Dann-Messier, and Mr. O’Hanley thanked the Governor for her leadership.

The Governor exited the meeting.

Mr. O’Hanley called the meeting to order at 3:03 p.m., indicating that a quorum was present.

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

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

VOTED: To approve the public session meeting minutes for the December 21, 2020 meeting as presented to the Board.

Voting in favor of the foregoing were: Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Ronald O’Hanley, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

3. **TO RECEIVE AN UPDATE ON THE CORPORATION’S PROGRAMS.**

Secretary Pryor stated that the Minority Business Accelerator program was created with assistance from Ms. Toledo-Vickers and Ms. Sams. To establish that accelerator, he noted, the Corporation, in partnership with the Rhode Island Foundation, issued a solicitation for a consultant that would review and compile data relevant to minority-owned businesses in the State, including compiling a database of minority-owned businesses; assessing the resources available to assist minority-owned businesses; and reviewing national best practices for supporting minority-owned businesses and entrepreneurs.

4. **TO CONSIDER INCREASING GRANTS TO CONSULTANTS PROVIDING TECHNICAL ASSISTANCE TO COVID-IMPACTED BUSINESSES.**

Matt Sheaff, the Corporation’s Director of Communications and Stakeholder Outreach, stated that in 2020, businesses in the State received \$2 billion of funding from the Paycheck Protection Program. The second round of that program, he noted, is currently open for applications, but its prerequisites, namely demonstration of revenue loss, are more complex than the first round.

Mr. Sheaff described the success of the initial round of the technical assistance grants to consultants, which the Board previously approved. He noted that some consultants conducted hundreds of one-on-one training sessions, and others conducted door-to-door solicitations in multiple languages to provide businesses with the resources necessary to apply for funding. Due to the success of the initial round of grants, Mr. Sheaff stated that the staff is recommending that the Board continue funding for technical assistance to COVID-19 impacted businesses by increasing funding to some of the consultants in the cumulative amount of \$285,000.

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

VOTED: To approve increasing grants to consultants providing technical assistance to COVID-impacted businesses pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Brenda Dann-Messier, Jason Kelly, Michael McNally, George Nee, Ronald O’Hanley, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: none.

Ms. Kaplan recused from consideration of this agenda item.

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

5. **TO CONSIDER APPROVAL OF INNOVATION VOUCHERS.**

Christine Smith, the Corporation’s Managing Director of Innovation, stated that Innovation Voucher awards to Flux Marine, Ltd. (“Flux Marine”) and American Mussel Harvesters, Inc. (“American Mussel”) were before the Board for approval. She stated that Flux Marine is working collaboratively with the International Yacht Restoration School (“IYRS”) to develop an electric, outboard marine engine with composites. She noted that Flux Marine currently has a prototype of the engine, and is working with IYRS to make it manufacturable. In response to a question by Mr. McNally, Flux Marine’s CEO and founder Ben Sorkin stated that Flux Marine intends to stay in the State and has recently relocated its headquarters to a location in East Greenwich that can accommodate up to twenty employees. Mr. Wadensten noted that Flux Marine was very successful in the COX business challenge.

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

VOTED: To approve Flux Marine, Ltd. for an Innovation Voucher pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

Mr. O’Hanley and Mr. Kelly recused from consideration of this agenda item.

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

Ms. Smith stated that American Mussel is proposing to use an Innovation Voucher to increase its operational efficiencies relative to COVID-19. She noted that while Innovation Vouchers are used for research and development tasks, they can also be utilized, consistent with the Innovation Voucher’s enabling legislation, to assist with process development. American Mussel, she stated, is located in Quonset Point and, prior to COVID-19, was expanding its facility and increasing the number of products that it was bringing to market. She explained, however, that after COVID-19 began, the company’s main business revenue stream—selling ten pound bags of mussels to restaurants—was disrupted and it had to pivot to selling two pound bags of mussels.

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

VOTED: To approve American Mussel Harvesters, Inc. for an Innovation Voucher pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Ronald O’Hanley, 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.**

6. **TO CONSIDER FOR APPROVAL A NETWORK MATCHING GRANT.**

Ms. Smith stated that the Corporation has, over the past six years, supported new product development not only through its Innovation Voucher program, but also by supporting entrepreneurial ecosystems, like MassChallenge, New England Medical Innovation Venter, Social Enterprise Greenhouse, and Hope & Main. She stated that Polaris MEP (“Polaris”) will also assist the entrepreneurial ecosystem by creating a technology acceleration program. That program, she said, will include one-on-one assistance to manufactures relative to accessing activities, programs, and resources to connect with university partners. Dr. Dann-Messier indicated her support for the initiative, and Mr. O’Hanley asked how the impact of the program will be measured. Christian Cowan, a team member of Polaris, responded that the impact of the program will be measured by revenue growth and job creation.

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

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

Voting in favor of the foregoing were: Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Ronald O’Hanley, 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.**

7. **TO CONSIDER APPROVAL OF THE CORPORATION’S ANNUAL BUDGET.**

Mr. Saglio gave a presentation to the Board regarding the Corporation’s annual budget.

A copy of the presentation is attached hereto as **Exhibit E.**

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

VOTED: To approve the Corporation's annual budget pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Dr. Brenda Dann-Messier, Mary Jo Kaplan, Jason Kelly, Michael McNally, George Nee, Ronald O'Hanley, 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**.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 4:00 p.m. upon motion made by Ms. Kaplan and seconded by Dr. Dann-Messier.

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

MEETING NOTICE
RHODE ISLAND COMMERCE CORPORATION

A meeting of the Rhode Island Commerce Corporation (“Corporation”) will be held on **January 29, 2021** at **3:00 p.m.** via telephone conference. Public access to the meeting is available as provided below:

Telephone Access: 1-877-820-7829
Access code: 249-144-8489

If technical assistance is needed, contact Michael Walker at 401-278-9105.

The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To receive an update on the Corporation’s programs.
3. To consider increasing grants to consultants providing technical assistance to COVID-impacted businesses.
4. To consider approval of Innovation Vouchers (See Exhibit 1, which follows, for additional details).*
5. To consider for approval a Network Matching Grant.*
6. To consider approval of the Corporation’s annual budget.
7. To consider the utilization of the Corporation’s incentive programs for the investment of public funds.*

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

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

Any individual requiring a reasonable accommodation in order to participate in this meeting must notify the Rhode Island Commerce Corporation at 278-9105, forty-eight (48) hours in advance of the meeting.

Dated: January 27, 2021.

Exhibit 1

Agenda Item 4:

<u>Applicant</u>	<u>Amount</u>
American Mussel Harvesters, Inc.	\$50,000
Flux Marine, Ltd.	\$49,972

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

January 29, 2021

(With respect to the retention of consultants to provide technical assistance to COVID-impacted businesses)

WHEREAS, the Board of Directors (“Board”) of the Rhode Island Commerce Corporation (“Corporation”) previously, on September 30, 2020, approved consultants to provide technical assistance to COVID-impacted businesses (“Services”), including Center for Southeast Asians (“CSEA”), Multicultural Innovation Center (“MIC”), and the Rhode Island Society of Certified Public Accountants (“RISCPA,” or collectively with CSEA and MIC, the “Consultants”);

WHEREAS, on December 8, 2020, the Board increased funding to MIC; and

WHEREAS, the Board wishes to further increase funding to MIC, CSEA and MIC.

NOW, THEREFORE, it is hereby resolved by the Corporation as follows:

Section 1: The Board approves and authorizes increasing funding of each consultant in an amount up to \$125,000 in the discretion of the President & COO and CEO, acting jointly. The President & COO is authorized and directed to engage in any actions and execute any documents necessary to effectuate the intent of this resolution.

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

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

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

January 29, 2021

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

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

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

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

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

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

RESOLVED:

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

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

EXHIBIT 1

<u>Applicant</u>	<u>Amount</u>
American Mussel Harvesters, Inc.	\$50,000
Flux Marine, Ltd.	\$49,972

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT D

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

January 29, 2021

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

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

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

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

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves the award of a Grant to Recipient in the amount of Two Hundred Fifty Thousand Dollars (\$250,000), and determines that the award is granted in compliance with the Grant Application Review and Evaluation Principles adopted by the Corporation.
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of a Grant Agreement between the Corporation and the Recipient meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;
 - b. Verification by the Corporation of compliance with the Eligibility Requirements of the Rules prior to issuance of the Grant; and

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

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT E



Rhode Island Commerce Corporation

FY21 Operating Budget

Board Presentation & Approval Request

January 2021

**RHODE
ISLAND**
COMMERCE

OVERVIEW

- \$140.9 million budget for FY21 funded using multiple sources:
 - State appropriation
 - State hotel tax revenue to support tourism and business attraction
 - Federal funds
 - Other: unique specific funding streams and/or fees
- Vast majority of both continuing-operations budget and total FY2021 budget pays for economic development programs
- Unique year
 - FY21 (July 1, 2020 – June 30, 2021) state budget finalized in December 2020.
 - \$87.4M in one-time CARES Act funding for small business COVID relief

REVENUE DETAIL

The \$140.9M FY 2021 budget includes \$87.4M in one-time CARES Act-funded emergency programming. is categorized as follows:

- **State General Revenue:** \$38.7M, of which the base appropriation of \$7.4M is flat from FY20
- **Federal Proceeds:** \$87.8M, including one-time CARES Act funding of \$87.4M
- **Other Income:** \$14.4M, including \$7.5M from the Reserved Program Funds

Revenues	State General Revenue	Federal	Other	Total	% of total
RICC Base Appropriation	\$7,430,000			\$7,430,000	5%
Renewable Energy Fund			2,300,000	2,300,000	2%
Marketing/Tourism			3,000,000	3,000,000	2%
STAC & SBIR	1,900,000			1,900,000	1%
Supply RI	300,000		50,000	350,000	0%
State Pass-throughs	3,300,000			3,300,000	2%
Federal Programs		87,800,000		87,800,000	62%
Economic Programs	25,800,000			25,800,000	18%
Other income			1,500,000	1,500,000	1%
Reserved Program Funds			7,520,000	7,520,000	5%
Total	\$38,730,000	\$87,800,000	\$14,370,000	\$140,900,000	
% Total	28%	62%	10%		100%

EXPENSE DETAIL

Expenses for FY 2021 consist of

- **Awards & Programs:** \$43.8M for direct economic investment in addition to \$87.4M in CARES Act-funded business recovery programs.
- **Personnel:** \$6.4M (12%) of RICC's expense structure is salaries/benefits of staff
- **Overhead:** \$2.0M (4%) is general/administrative costs
- **Advisory:** \$1.4M (3%) is 3rd party legal/consulting/other costs

Expenses	State General Revenue	Federal	Other	Total	% Total Excl. CARES Act
Personnel	\$5,120,000	\$380,000	\$860,000	\$6,360,000	12%
Overhead	1,840,000	70,000	50,000	1,960,000	4%
Advisory	470,000	0	960,000	1,430,000	3%
Total Operating	\$7,430,000	\$450,000	\$1,870,000	\$9,750,000	18%
Renewable Energy Fund			1,950,000	1,950,000	4%
Marketing/Tourism			3,500,000	3,500,000	7%
STAC & SBIR	1,800,000			1,800,000	3%
State Pass-throughs	3,300,000			3,300,000	6%
Economic Programs	32,200,000			32,200,000	60%
Federal Grants and Programs		87,400,000		87,400,000	-
Small Business Assist. & Adapt			1,000,000	1,000,000	2%
Total Awards & Programs	\$37,300,000	\$87,400,000	\$6,450,000	\$131,350,000	82%
Total Excluding CARES Act	\$44,730,000	\$450,000	\$8,320,000	\$53,500,000	
% Total Excluding CARES Act	84%	1%	16%	100%	
Grand Total	\$44,730,000	\$87,850,000	\$8,320,000	\$140,900,000	100%
% Grand Total	32%	62%	6%	100%	

FY21-FY20 EXPENSE COMPARISON

Expense Comparison		FY2020	FY2021	Change	% Change
<i>Operating</i>	Personnel	\$6,900,000	\$6,360,000	\$(540,000)	-8%
	Overhead	2,300,000	1,960,000	(340,000)	-15%
	Advisory	1,500,000	1,430,000	(70,000)	-5%
	Total	\$10,700,000	\$9,750,000	\$(950,000)	-9%
<i>Awards & Programs</i>	Renewable Energy Fund	\$2,700,000	\$1,950,000	\$(750,000)	-28%
	Marketing/Tourism	4,900,000	3,500,000	(1,400,000)	-29%
	Federal Grants and Programs	200,000	87,400,000	87,200,000	N.M.
	STAC & SBIR	1,700,000	1,800,000	100,000	6%
	State Pass throughs	8,900,000	3,300,000	(5,600,000)	N.M.
	Economic Programs	9,300,000	32,200,000	22,900,000	N.M.
	Small Business Assist. & Adapt	-	1,000,000	1,000,000	100%
	Total	\$27,700,000	\$131,150,000	\$103,450,000	N.M.
Grand Total	\$38,400,000	\$140,900,000	\$102,500,000	N.M.	

APPENDIX A

FY21 Operating Budget

**RHODE
ISLAND**
COMMERCE

EXPENSE DETAIL BY BUSINESS UNIT

	Finance, Exec. & Ops	Financial Services	Business Assistance	Business Development	Branding & Marketing	Investments	Total
Operating							
Personnel	\$2,725,000	\$435,000	\$415,000	\$1,115,000	\$895,000	\$775,000	\$6,360,000
Overhead	1,190,000	220,000	110,000	210,000	210,000	20,000	1,960,000
Advisory	850,000	100,000	33,000	121,000	6,000	320,000	1,430,000
Total Operating	\$4,765,000	\$755,000	\$558,000	\$1,446,000	\$1,111,000	\$1,115,000	\$9,750,000
Awards & Programs	3,300,000	1,950,000	88,400,000	0	3,500,000	34,000,000	131,150,000
Total	\$8,065,000	\$2,705,000	\$88,958,000	\$1,446,000	\$4,611,000	\$35,115,000	\$140,900,000

OPERATING DETAILS

Expenses	FY21 Budget	FY20 Actual	FY20 Budgeted
Salaries	\$5,019,094	\$4,228,997	\$5,439,365
Benefits	1,342,236	897,439	1,484,304
Total Advisory & Overhead			
Occupancy	500,000	497,142	470,293
Legal	500,000	296,567	432,500
Contractual	926,739	1,136,405	1,161,030
Advertising	125,000	123,322	55,250
Communications	25,000	24,857	20,200
Dues & Subscriptions	225,000	222,801	278,250
Education & Training	2,604	2,093	22,000
Insurance	250,000	205,403	224,000
Meetings & Conferences	15,000	15,892	52,250
Mileage	10,000	10,629	31,350
Office Supplies	50,000	35,262	56,454
Other Expenses	416,645	434,625	475,000
Out of State Travel	20,000	18,253	79,000
Postage	15,000	11,134	4,150
Printing/Production	20,000	16,603	27,700
Programmatic	500	500	87,265
Depreciation	281,260	281,260	289,472
Total Other Expenses	3,882,749	4,484,236	3,766,164
Total Expenses	\$9,744,079	\$9,610,672	\$10,689,833

PERSONNEL

FTEs	Commerce Base	Other Sources	Total
Exec/EOC	7.0	1.0	8
Finance, HR, and Ops	10.0	-	10
Financial Services	4.0	2.0	6
Business Assistance	7.0	6.0	13
Business Development	6.3	0.7	7
Marketing and Branding	3.5	7.5	11
Investments	6.0	3.0	9
Total	44.3	19.7	64

JANUARY 29, 2021 PUBLIC SESSION MEETING MINUTES

EXHIBIT F

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

January 29, 2021

WHEREAS: The Rhode Island Commerce Corporation (“Corporation”) Board of Directors (the “Board”) received a presentation in regard to the annual budget (the “Budget”) for the 2021 fiscal year; and

WHEREAS: The Budget contains 4 general categories of expenses including the following:

1. Personnel;
2. Overhead;
3. Advisory; and
4. Programmatic

WHEREAS: The staff of the Corporation has recommended approval of the Budget by the Board.

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

RESOLVED:

1. The Budget is approved as presented to the Board of the Corporation.
2. The Board authorizes the creation and implementation of a “Small Business Assistance and Adaptation Initiative” in an amount not to exceed \$500,000.
3. Any two of the Authorized Officers (hereinafter defined), acting together, shall have the authority to determine the parameters of and undertake the implementation of the Small Business Assistance and Adaptation Initiative, which may include, but not be limited to, grants, technical assistance or other monetary support, provided, however, the Authorized Officers may not use such funds for loans without further authorization of the Board.
4. The Authorized Officers hereunder are the Chair, Vice Chair, Chief Executive Officer, President and Chief Operating Officer and the Chief Financial Officer who are hereby authorized to take any and all actions deemed necessary or appropriate to carry out the provisions of this Resolution and to execute any and all documents deemed by such Authorized Officers as necessary or appropriate.
5. Any two of the Authorized Officers acting jointly shall have the authority to reallocate up to 10% from any category of expense to another without the need for further Board approval.

6. This Resolution shall take effect upon adoption by the Board.

TAB 2

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

February 5, 2021

APPROVED

VOTED: To approve a to-be-formed affiliate(s) of Fortuitous Partners, L.L.C. for incentives pursuant to R.I. Gen. Laws Chapter 45-33.4 and the Rebuild Rhode Island Tax Credit program pursuant to the resolutions submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING AN AWARD UNDER THE
CITY OF PAWTUCKET DOWNTOWN REDEVELOPMENT ACT
February 5, 2021

- WHEREAS:** The Rhode Island Commerce Corporation (the “Corporation”) was created and exists as a public corporation, governmental agency and public instrumentality of the State of Rhode Island (the “State”) under Chapter 64 of Title 42 of the General Laws of Rhode Island, as amended (the “Act”); and
- WHEREAS:** Chapter 33.4 of Title 45 of the General Laws of Rhode Island, as amended (the “Pawtucket Downtown Redevelopment Act”) authorizes State, the City of Pawtucket (the “City”) and the Pawtucket Redevelopment Agency (the “Agency”) to enter into an “Economic Activity Taxes Agreement”, as defined in the Downtown Pawtucket Redevelopment Act, and for the Corporation to designate a portion of “Baseline Revenues” as “State Economic Activity Taxes” for, among other purposes, financing qualifying projects in the City; and
- WHEREAS:** The Corporation promulgated rules and regulations (the “Rules”) governing the program established by the Pawtucket Downtown Redevelopment Act. Capitalized terms used herein but not defined shall have the meaning as set forth in the Rules; and
- WHEREAS:** The Corporation received an application for an Award under the Rules from Fortuitous Tidewater OZ, LLC (together with its nominee or assignee, the “Developer”) and the Agency in relation to a multi-building mixed-used project including a soccer stadium with a minimum capacity of 7,500 (the “Project”) located on land on both banks of the Seekonk River in Pawtucket, RI; and
- WHEREAS:** The Corporation has received from the chief executive officer or equivalent officer of the Developer an attestation under oath as required under R.I. Gen. Laws 45-33.4-1(13)(ii); and
- WHEREAS:** The Corporation’s Investment Committee has reviewed and considered the proposed Award and has voted to recommend to the Board of Directors (the “Board”) of the Corporation the approval of the Award; and
- WHEREAS:** The Board of the Corporation received a presentation detailing the Project and proposed Award together with a recommendation from the staff of the Corporation for approval of the Award in accordance with the Rules and Pawtucket Downtown Redevelopment Act.

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

RESOLVED:

1. To accomplish the purposes of the Act and the Pawtucket Downtown Redevelopment Act, the Corporation approves the issuance of the Award to the Agency and the Developer to pay a portion of the principal and interest on bonds issued by the Agency in annual installments that will provide proceeds, net of capitalized interest, debt service coverage and reserves, and costs of issuance in an expected aggregate amount of \$36,242,350 for the development of the Project.
2. The term of the Award shall not exceed thirty (30) years.
3. The authorization provided herein is further subject to the following conditions:
 - a. The execution of an Incentive Agreement between the Corporation and the Developer meeting the requirements of the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer; and
 - b. A requirement in a contract binding the Agency, the Developer and such others as an Authorized Officer deems appropriate, in his or her discretion, requiring the annual payments received on account of the Award to be held in an escrow or trust account until the Corporation certifies to the Agency that an agreed upon milestone has been completed permitting the release of funding for the completion of such milestone. For purposes of clarity, the Authorized Officers shall not be required to, but may, include in the incentive agreement for the Project a requirement that funding will be held in escrow pending the Project or components thereof being Placed In Service;
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer; and
 - d. Appropriation by the General Assembly of amounts sufficient to pay the Award in accordance with the terms of the Pawtucket Downtown Redevelopment Act.
4. 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 R.I. Gen. Laws § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that a defined amount of Baseline Revenues from the arts district, ballpark district and growth center district (as such districts are defined in the Pawtucket Downtown Redevelopment Act) assessed and collected under chapters 18, 19, and 30 of title 44 of the general laws equal to the Award are necessary to finance or complete the Project; (iv) that the chief executive officer or equivalent officer of the Developer has

provided an attestation under oath as required under R.I. Gen. Laws 45-33.4-1(13)(ii); and (v) that the Chief Executive Officer of the Corporation has provided written confirmation that one or more of the eligibility criteria required by the Pawtucket Downtown Redevelopment Act has been satisfied (a copy of which is annexed hereto as **Exhibit 1**).

5. Prior to the execution of an Incentive Agreement with the Developer, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the incentives will or may have on the State considering the factors set forth in R.I. Gen. Law § 42-64-10(a)(2).
6. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the CEO, the President & COO, the Chief Financial Officer, the Treasurer and the SVP Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered the State Economic Activity Taxes Agreement, the Incentive Agreement any other documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers shall have the authority to increase the Award to replace, in whole or in part, any award of incentives under the Rebuild Rhode Island Tax Credit program (R.I. Gen. Laws Chapter 42-64.20) granted in support of the Project. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, each acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same. Stacy Farrell is appointed Assistant Secretary for all purposes under this Resolution.
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. No costs or expenses whether incurred by the Corporation or any other party in connection with the Award or the preparation or review of any documents by any legal or other consultants retained in connection herewith shall be borne by the Corporation except as permitted by an Authorized Officer. The Corporation may require such deposits or advances as it deems desirable for such fees, costs and expenses, and may require reimbursement of any such fees, costs and expenses paid by the Corporation. The Corporation shall have the right to select and retain legal, financial and other consultants in connection with the Award, and all fees, costs and expenses of such consultants and professionals, along with all other such costs and expenses, shall be borne by the Developer and/or the Agency.
11. This resolution shall take effect immediately upon adoption by the Board.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Jesse Saglio, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: City of Pawtucket Downtown Redevelopment Act Application
Date: February 5, 2021

The staff of the Rhode Island Commerce Corporation (the “Corporation”) is recommending to the Board of Directors that it approve the application of the Pawtucket Redevelopment Agency and Fortuitous Tidewater OZ, LLC (the “Application”) for an award pursuant to the Downtown Pawtucket Redevelopment Act and consistent with the materials to be presented to the Board at its meeting on February 5, 2021. This memo serves as the written confirmation, pursuant to 870-RICR-30-00-9.10(A)(2), of the following:

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

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

February 5, 2021

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

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

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

WHEREAS: The Corporation received an application for tax credits from Fortuitous Tidewater OZ, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a multi-building (including a 7,500 seat soccer stadium) mixed-used project (the “Project”) located on land on both banks of the Seekonk River in Pawtucket, RI; 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 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 up to the amount of \$14,000,000 to the Recipient and a sales and use tax exemption that will reduce the tax credits 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 applicable Eligibility Requirements of the Rules prior to Certification of any award of tax credits to the Recipient; and
 - c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.
3. The Board of the Corporation hereby finds and determines that: (I) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) 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 any other applicable Eligibility Requirements of the Rules.

4. The Corporation has prepared and publicly released 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 Executive Vice President Investments (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same. Stacy Farrell is appointed Assistant Secretary for all purposes under this Resolution.
6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.
7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.
8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

9. This Resolution shall take effect immediately upon passage.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Jesse Saglio, President and Chief Operating Officer of the Rhode Island Commerce Corporation
To: Board of Directors, Rhode Island Commerce Corporation
Re: Rebuild Rhode Island Tax Credit Application
Date: February 5, 2021

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 Tidewater OZ, LLC for tax credits of \$14,000,000.

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.*

The total credits to be awarded to the applicant shall not be in excess of the amount listed above.

EXHIBIT 2



OFFICE OF MANAGEMENT & BUDGET


Jonathan Womer, Director

One Capitol Hill
Providence, RI 02908-5890

Office: (401) 574-8430
Fax: (401) 222-6436

MEMORANDUM

To: Board of Directors, Rhode Island Commerce Corporation

From: Jonathan Womer
Director, Office of Management & Budget 

Date: February 4, 2021

Subject: Rebuild Rhode Island Tax Credit Applications

The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors (the "Board") one project for the receipt of tax credits and sales and use tax exemptions under the Rebuild Rhode Island Tax Credit in an amount not to exceed \$14,000,000.00. That recommendation is as follows:

1. That the application submitted by Tidewater Landing be approved for tax credits in a maximum amount of \$14,000,000.00, which includes \$4,000,000.00 of sales and use tax exemptions.

As of December 21, 2020, the Corporation had approved tax credits and sales and use tax exemptions under the program in the amount of \$191,462,426.69. The approval of an additional \$14,000,000.00 in tax credits and sales and use tax exemptions would bring the cumulative total of approved tax credits, sales and use tax exemptions, and/or loans to \$205,462,426.69. Currently \$82.2 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) authorized aggregate tax credits, sales and use tax exemptions, and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed \$210 million. Pursuant to section 42-64.20-6(a)(4), OMB confirms that the aggregate credits recommended by the Commerce Corporation do not exceed the maximum aggregate credits allowed under this chapter in accordance with § 42-64.20-5(f).

Based on information provided by the Corporation, OMB anticipates the budget impact to the state of the tax credits, sales and use tax exemptions, and/or loans, if approved, in the year of application and in subsequent years will be as set forth in the attached Exhibit A.

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	Total
Projects Confirmed as 1/28/19																						
BAC CVP Aloft LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00
Projects Confirmed as 3/26/19																						
Farm Fresh Rhode Island	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$666,667.00	\$666,667.00	\$555,555.00	\$333,333.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,222,222.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$666,667.00	\$666,667.00	\$555,555.00	\$333,333.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,222,222.00
Projects Confirmed as 9/23/19																						
Pawtucket Development Group, LLC ^(4,7)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$510,701.00	\$510,700.00	\$510,700.00	\$510,700.00	\$510,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,553,501.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$510,701.00	\$510,700.00	\$510,700.00	\$510,700.00	\$510,700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,553,501.00
Projects Confirmed as 2/26/20																						
Mearthane Products Corporation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$163,000.00	\$163,000.00	\$163,000.00	\$163,000.00	\$163,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$815,000.00
Blount Fine Foods Corporation	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
RCG Armory Park View, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
556 Atwells, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750,000.00
Peysen Real Estate Group, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00	\$600,000.00	\$500,000.00	\$300,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$1,313,000.00	\$1,313,000.00	\$1,213,000.00	\$1,013,000.00	\$513,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,565,000.00
Projects Confirmed as 6/22/20																						
ARTech HUB, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Fuller Mill Realty LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$90,000.00	\$90,000.00	\$90,000.00	\$90,000.00	\$90,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$450,000.00
Nexus Holdings LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$100,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$500,000.00
Pebb 33 Bassett Providence LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
25 Bough Street, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$150,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750,000.00
Thread Factor Stables Proprietor, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
East Greenwich Partners, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$144,942.80	\$144,942.80	\$144,942.80	\$144,942.80	\$144,942.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$724,714.00
390 Pine Street, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$120,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$600,000.00
The Woonsocket Neighborhood Development	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Caribbean Integration Community Development	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Southside Community Land Trust	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$122,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$610,000.00
30 Kennedy Partners, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$100,000.00
Link Street, LLC	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$650,000.00	\$650,000.00	\$650,000.00	\$650,000.00	\$650,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,250,000.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,396,942.80	\$2,396,942.80	\$2,396,942.80	\$2,396,942.80	\$2,396,942.80	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$11,984,714.00
Projects Confirmed as 7/16/20																						
Rhode Island Waterfront Enterprise, LLC	\$0.00	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00
Subtotal:	\$0.00	\$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	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000,000.00
Projects Confirmed as 12/8/20																						
401 Tech Bridge	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$200,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,000,000.00
Projects Confirmed as 12/31/20																						
JK Equities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$750,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,750,000.00
16 Broad St.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,460.00	\$28,460.00	\$28,460.00	\$28,460.00	\$28,460.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$142,300.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28,460.00	\$778,460.00	\$778,460.00	\$778,460.00	\$778,460.00	\$750,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,892,300.00
Projects Confirmed as 2/3/21																						
Tidewater Landing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000,000.00
Subtotal:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$2,000,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$10,000,000.00

	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	Total
¡ TOTAL:	\$0.00	\$381,924.80	\$8,597,114.60	\$11,456,559.33	\$19,101,431.33	\$29,028,537.13	\$28,744,534.23	\$23,817,739.10	\$19,362,714.10	\$11,709,230.10	\$3,498,960.00	\$2,757,500.00	\$15,000.00	\$12,500.00	\$7,500.00	\$7,500.00	\$22,500.00	\$12,500.00	\$7,500.00	\$7,500.00	\$7,500.00	\$158,556,244.72

- Notes**
* Rebuild amount was reduced and as reflected per the Agreement.
1.) Award not anticipated based on updated
2.) Company withdrew.
3.) River House.
4.) Amended.
5.) Chestnut Commons.
6.) Downcity II.
7.) Lippitt Mill.

Estimated Sales Tax Rebates by Fiscal Year

Fiscal Year - Sales Tax Rebates	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	Total
1 45 Pike ⁽¹⁾	404,600	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	404,600
2 78 Fountain Street	-	-	-	-	900,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900,000
3 A.T. Cross ⁽¹⁾	67,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	67,000
4 Agoda ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
5 Aloft Hotel	-	-	-	-	1,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000
6 Bristol Belvedere	-	-	-	-	-	166,270	-	-	-	-	-	-	-	-	-	-	-	-	-	166,270
7 Case Mead ⁽¹⁾	225,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	225,000
8 Chestnut Commons	-	-	-	572,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	572,000
9 Downcity II	-	-	-	-	378,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	378,000
10 Dexter Street	-	-	-	-	1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
11 Electric Boat	-	-	-	-	5,700,000	-	3,900,000	-	-	-	-	6,700,000	-	-	-	1,700,000	-	-	-	18,000,000
12 Farm Fresh	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
13 Finlay	-	-	-	471,500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	471,500
14 Gotham Greens	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
15 Hope Artiste	-	-	-	450,597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450,597
16 Immunex RI Corporation	-	-	-	-	3,255,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,255,000
17 Infinity Meat	-	-	-	1,800,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,800,000
18 Infosys	-	-	-	100,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100,000
19 Innovate Newport	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
20 Lippitt Mill	-	-	-	230,691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	230,691
21 Louttit Laundry	-	-	-	271,239	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	271,239
22 Ocean State Job Lot ⁽³⁾	-	-	1,232,060	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,232,060
23 ONE MetroCenter	-	-	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
24 Pontiac Mills	-	-	-	500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,000
25 Prospect Heights ⁽³⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
26 Providence Commons	-	-	-	600,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
27 R&W Phase II	-	-	-	96,656	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96,656
28 Residence Inn	-	-	-	629,921	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	629,921
29 River House	-	-	-	700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700,000
30 Rubius Therapeutics	-	-	-	-	2,700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,700,000
31 The Edge	-	-	537,176	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	537,176
32 The Edge II	-	-	-	-	-	1,295,000	-	-	-	-	-	-	-	-	-	-	-	-	-	1,295,000
33 Union Trust	-	-	194,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	194,591
34 Virgin Pulse ^(3,4)	-	42,728	-	68,020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,748
35 Warwick Hyatt Hotel ^(3,4)	-	531,513	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	531,513
36 Wexford	-	-	-	734,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	734,189
37 Blount Fine Foods	-	-	-	-	269,808	-	-	-	-	-	-	-	-	-	-	-	-	-	-	269,808
38 Mearthane Products	-	-	-	-	63,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,000
39 Parade Street	-	-	-	-	196,910	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196,910
40 Strive Lofts	-	-	-	-	108,171	-	-	-	-	-	-	-	-	-	-	-	-	-	-	108,171
41 Parcel 6	-	-	-	-	670,099	-	-	-	-	-	-	-	-	-	-	-	-	-	-	670,099
42 Hotel Beatrice ⁽⁵⁾	-	-	-	750,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	750,000
43 Fuller Mill	-	-	-	-	169,680	-	-	-	-	-	-	-	-	-	-	-	-	-	-	169,680
44 Millrace I	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
45 Nexus Lofts	-	-	-	-	161,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	161,700
46 South Quay Marine Terminal ⁽⁶⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
47 Merchant Oversees	-	-	-	-	173,063	-	-	-	-	-	-	-	-	-	-	-	-	-	-	173,063
48 404 Broad Street	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
49 Millrace District II	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
50 JK Equities	-	-	-	-	190,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	190,000
51 Tidewater Landing	-	-	-	-	-	4,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	4,000,000
Total Rebuild Sales Tax	\$696,600	\$574,241	\$1,963,827	\$7,974,813	\$17,435,431	\$5,961,270	\$3,900,000	\$0	\$0	\$0	\$0	\$6,700,000	\$0	\$0	\$0	\$1,700,000	\$0	\$0	\$0	\$46,906,182

Notes:

- 1.) Award not anticipated based on updated project status.
- 2.) Company withdrew.
- 3.) Certification approved figures.
- 4.) Warwick Hotel and Virgin Pulse (Phase 1) were certified before change in Sales & Use Tax Rebate regulations.
- 5.) Project was amended in June 2020
- 6.) Project estimates potential \$2.1 million in rebates in FY 22, but these would reduce Rebuild Rhode Island credits if claimed.

EXHIBIT 3



Rhode Island Commerce Corporation Tidewater Landing & Division Street Development Net New Economic and Fiscal Impact Analysis

Introduction

In April 2019, Fortuitous Partners (“Fortuitous”) submitted a proposal to the Rhode Island Commerce Corporation (the “Corporation”) and the City of Pawtucket (the “City”) to redevelop property along the riverfront in downtown Pawtucket. The proposal includes a Master Plan to redevelop two sites at Tidewater and Division Street with a mixed-use district¹ anchored by a United Soccer League Championship (“USLC”) stadium and indoor event center².

The project would be developed across two phases³ and include:

Phase 1:

- A 7,500-seat USLC stadium
- 60,000 square feet of new office space
- 56,750 square feet of retail and restaurant space
- 435 residential units
- One parking garage with a total of 750 spaces, plus 150 spaces below the residential building at Division Street
- Infrastructure and public space improvements (utility and stormwater improvements, roadway and streetscape improvements, off-site infrastructure improvements, Riverwalk)

Phase 2:

- A 139,500 square-foot indoor events center
- A 120-room hotel
- Infrastructure and public space improvements (pedestrian bridge, Riverwalk, roadway and streetscape improvements)

Fortuitous’ proposal to the Corporation and City included a preliminary project budget, financial operating projections and economic and fiscal impacts estimated to be generated by the proposed development. To assist in evaluating the proposal, the Corporation and City engaged Conventions, Sports & Leisure International (“CSL”) to analyze the information submitted. As part of the analysis, CSL reviewed the Fortuitous Master Plan, evaluated project costs, estimated utilization and projected financial operations related to the stadium and event center and analyzed the net new benefits estimated to be generated to the public for reasonableness. As a point of comparison to the net new benefits included in Fortuitous’ proposal, CSL developed an estimate of the quantifiable benefits of the proposed development based on

¹ A feasibility study for the mixed-use businesses has not been completed to date.

² A feasibility study for the indoor event center has not been completed to date.

³ Proposed development project budget and operating model submitted by Fortuitous, November 2020.

historical operations of comparable USLC teams, industry data, information from Fortuitous and Hunden Strategic Partners (“HSP”)⁴, the use of IMPLAN multipliers⁵ and CSL’s experience in quantifying the economic and fiscal impacts of similar projects.

This analysis summarizes the estimated economic impacts associated with Phase 1 of the development. Fortuitous estimates the total cost of Phase 1 to be \$284.1 million and is requesting public funds toward the project.

Methodology

Overview of Economic Impacts

Typically, and for purposes of this analysis, quantifiable effects are characterized in terms of economic impacts and fiscal impacts. Economic impacts are conveyed through measures of direct spending, total output, personal earnings, and employment, while fiscal impacts denote changes in tax revenues.

Each of the measures of economic impact is further described below:

DIRECT SPENDING represents spending generated by facility and business operations, including:

- In-Stadium operations and expenditures by patrons and event personnel on admissions, food and beverage, merchandise, etc.;
- Mixed-use business operations;
- Out-of-Stadium spending by patrons, visiting teams and event personnel on hotels, food and beverage, retail, transportation, entertainment and other such expenditures; and,
- Out-of-District spending by district office employees and residents.

TOTAL OUTPUT represents the total **direct, indirect, and induced spending** effects generated by the Pawtucket Riverfront Redevelopment Project. **Indirect** spending consists of the re-spending of the initial direct spending, and **induced** spending effects consists of the positive changes in spending, employment, earnings, and tax collections generated by personal income associated with the operations of the proposed development. *Economic impacts were estimated utilizing multipliers from the IMPLAN system which is an industry leading resource used by various government entities, universities, and private companies.*

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

EMPLOYMENT is expressed in terms of person years of employment and is based on project spending. Person years are defined as one year of employment, or 2,080 annual hours, and may be full- or part-time.

⁴ CSL relied on the mixed-use businesses operating model (office, restaurant/retail, residential and hotel) submitted by Fortuitous, November 2020.

⁵ The IMPLAN system is an industry leading resource used by various government entities, universities, and private companies.

The ongoing operations of the Pawtucket Riverfront Redevelopment Project would impact the local economy in a variety of ways. As outlined in the following graphic, **GROSS DIRECT SPENDING** is generated during construction on materials, supplies, and labor; and annual operations on tickets, concessions, sponsorships, business operations, etc., as well as before and after events at local hotels, restaurants, retail, and other such establishments.

To estimate the incremental economic impact benefits generated to the local economy from these **SPENDING** sources, certain **ADJUSTMENTS** must be made to gross direct spending to reflect the fact that all spending is not likely to impact the local economy. The following graphic also summarizes the adjustments made to gross direct spending in order to determine **NET NEW DIRECT SPENDING** impacting the local economy.



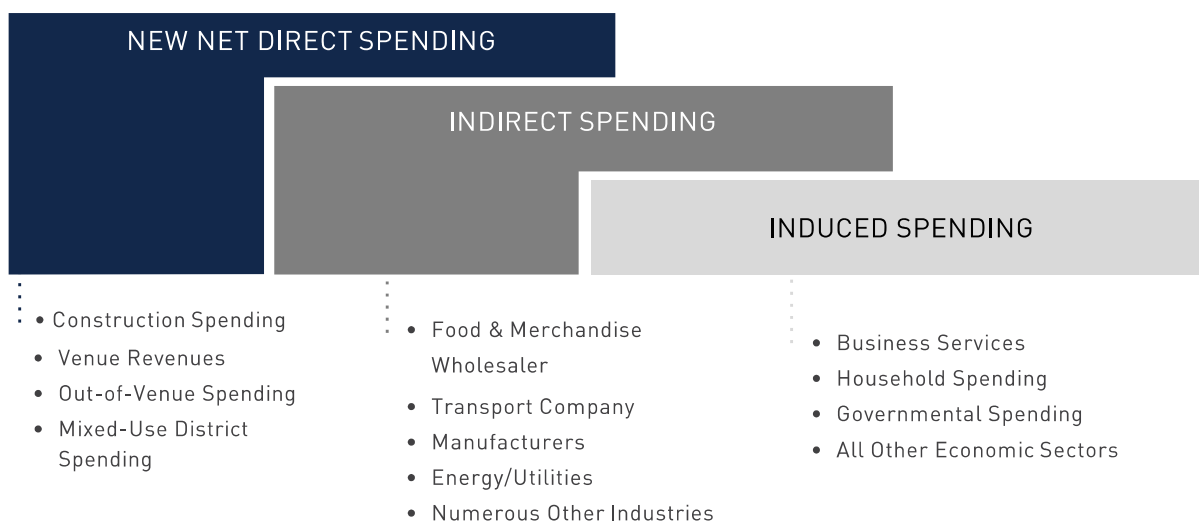
Adjustments must be made to account for the fact that a certain amount of spending associated with the Pawtucket Riverfront Redevelopment Project will be made by local residents and, therefore, likely represents money that could already be spent in the economy in another form. This is called **displacement** and reduces the overall net new impacts. This type of spending is not considered net new to the local economy.

Additionally, not all spending associated with the proposed development would take place in the local economy. A portion of this spending is likely to occur outside the immediate area. This is called **leakage** and similarly reduces the overall impact. The economic impacts presented herein are derived specifically from the net new direct spending estimated to be associated with proposed facility and business operations.

Multiplier Effects

Economic impacts associated with proposed development operations would be further increased through re-spending of the net new direct spending. The total impact is estimated by applying an economic multiplier to initial direct spending to account for the total economic impact. The total output multiplier is used to estimate the aggregate total spending that takes place beginning with the direct spending and continuing through each successive round of re-spending.

Successive rounds of re-spending are generally discussed in terms of their indirect and induced effects on the surrounding economy, as illustrated below.



INDIRECT EFFECTS consist of the re-spending of the initial or direct net new expenditures. These indirect impacts extend further as the dollars constituting the direct expenditures continue to change hands. This process, in principle, could continue indefinitely. However, recipients of these expenditures may spend all or part of it on goods and services outside the market area, put part of these earnings into savings, or use them to pay taxes. This spending halts the process of subsequent expenditure flows and does not generate additional spending or impact within the community after a period of time. This progression is termed **leakage** and reduces the overall economic impact. Indirect impacts occur in a number of areas including the following:

- wholesale industry as purchases of food and merchandise products are made;
- transportation industry as the products are shipped from purchaser to buyer;
- manufacturing industry as products used to service the facility, businesses, vendors, and others are produced;
- utility industry as the power to produce goods and services is consumed; and,
- other such industries.

INDUCED EFFECTS consist of the positive changes in spending, employment, earnings and tax collections generated by personal income associated with the operations of the facility and businesses. Specifically, as the economic impact process continues, wages and salaries are earned, increased employment and

population are generated, and spending occurs in virtually all business, household and governmental sectors. This represents the induced spending impacts generated by direct expenditures.

The appropriate multipliers to be used are dependent upon certain regional characteristics and also the nature of the expenditure. An area that is capable of producing a wide range of goods and services within its border will have high multipliers, resulting from an existing positive correlation between the self-sufficiency of an area's economy and the higher probability of re-spending occurring within the region. If a high proportion of the expenditures must be imported from another geographical region, lower multipliers will result.

As an example, say John attends a USLC soccer home game. Before the game, John goes to dinner at a restaurant in downtown Pawtucket. John's spending at the restaurant is **defined as direct spending**. The restaurant John eats at uses that money (and the money spent by those similar to John) to purchase meat, produce and other supplies from a local supplier. The restaurant's spending is **defined as indirect spending**. The local supplier uses the money spent by the restaurant to pay its employees, who then turn around and spend money in the local area on goods and services. The spending by the suppliers' employees is defined as **induced spending**.

Thus, if John had spent \$1.00 directly at the restaurant, that \$1.00 is then multiplied by 1.85 to arrive at \$1.85 of Total Output. In other words, \$1.00 of Direct Spending on food and beverage generates an additional 85 cents of re-spend in the State of Rhode Island.

Tax Revenue Impacts

In addition to the economic impacts generated by the Pawtucket Riverfront Redevelopment Project throughout the local market area, the public sector also benefits from increased tax revenues. In preparing estimates of tax revenue impacts, total tax revenues attributable to the direct spending generated by the proposed development were estimated. In addition, estimates of the effect of total output and earnings on the tax collections have been estimated. Tax revenues are based on the current applicable tax rates. Future changes in these rates would have an impact on the resulting tax collections. The sources of tax revenue focused on in this analysis include:

STATE OF RHODE ISLAND:

- Sales Tax – 7.00%
- Hotel Tax – 5.00%
- F&B Tax – 7.00%
- Corporate Income Tax – 7.00%
- Personal Income Tax – 4.00%

Quantitative Economic & Tax Revenue Impact Analysis

Key Assumptions

The following is a list of key data points and assumptions used to estimate the economic and tax revenue impacts associated with the construction and operations of the Pawtucket Riverfront Redevelopment Project.

- Project costs are estimated to total \$284.1 million throughout construction Phase 1 from early 2021 to 2023.
- The new USLC stadium will host 36 events with paid attendance of approximately 184,000 in a stabilized year of operations (2026), including 20 USLC home matches.
- Based on industry data, 50 percent of stadium attendees are assumed to live outside the State of Rhode Island.
- Spending by visitors for events at the stadium consists of in-facility spending on tickets, concessions, merchandise and parking, as well as out-of-facility spending on hotels, restaurants, shopping, transit, entertainment, services and other such expenditures. Per capita out-of-stadium spending by visitors is estimated to total the following (2026 dollars):
 - In-State Day Trippers: \$10.50
 - Out-of-State Day Trippers: \$14.75
 - Out-of-State Overnighters: \$255.50
- The retail and restaurant space will have a 10 percent vacancy rate and generate \$472 in sales per square foot by a stabilized year of operations (2026)⁶.
- The office space will garner a lease rate of \$42.50 by a stabilized year of operations (2026)⁶.
- Out-of-district spending by office employees is estimated based on *International Council of Shopping Centers Office-Worker Retail Spending in a Digital Age* report. The residential buildings will have an eight percent vacancy rate and achieve a lease rate of \$2.40 per square foot by a stabilized year of operations (2026)⁶.
- Ancillary resident spending is based on spending data from the National Association of Home Builders *The Economic Impact of Home Building in a Typical Local Area* report.
- Net new adjustments were applied to each category of spending to account for displacement (estimated amount of spending that would have been spent in the State regardless of the proposed development) and leakage (estimated amount of spending that takes place outside of the State).

⁶ CSL relied on the mixed-use businesses operating model (office, restaurant/retail, residential and hotel) submitted by Fortuitous, November 2020.

One-Time Construction Impacts

As shown in Table 1, Fortuitous’s estimate of total Phase 1 project cost is approximately \$284.1 million.

Table 1: Estimated Total Phase 1 Project Cost

Component	Estimated cost
Construction – hard costs	\$235,604,000
Construction – soft costs	\$48,530,000
Total	\$284,134,000

It is assumed that after accounting for contractor profits (assumed at 10 percent of total project cost), 60 percent of the project budget would be spent on materials and 40 percent on labor. Based on industry data, it is assumed that 60 percent of materials spending would occur within the State and 75 percent of labor expenditures would take place in the State.

The one-time net new economic impacts estimated to be associated with the construction of a new USLC stadium and ancillary development include:

- \$161.8 million in direct spending in the State;
- \$266.7 million in total output; and,
- 1,790 full and part-time jobs and that create approximately \$109.7 million in personal earnings.

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

Table 2: Summary of One-Time Phase 1 Construction Impacts

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	1,080	710	1,790
Personal Earnings	\$71,554,000	\$38,178,000	\$109,732,000
Total Output	\$161,787,000	\$104,934,000	\$266,721,000

The activity reflected in Table 2 is estimated to occur from early 2021 through 2023.

The anticipated wage rates for construction jobs are shown on the following page in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island, as of 2019.

Table 3: Anticipated Wages During Construction

Occupation	RI median hourly wage ⁷
Architect	\$36.33
Construction manager	\$52.71
Carpenter	\$23.40
Electrician	\$28.06
Plumber	\$24.13
Painter	\$21.68
Laborer	\$24.30

Fringe benefits associated with these jobs are expected to be in accordance with industry norms, with the cost of such benefits generally ranging between 22 and 28 percent of wages. Workers who fill these jobs are expected to be drawn primarily from the State.

Annual Recurring Impacts

In-District Spending

Phase 1 facilities and business are anticipated to begin operating in 2023, reaching a stabilized year of operations by Year 4 (2026). The following table summarizes the annual spending and resulting impacts estimated to be generated from the ongoing operations of the Pawtucket Riverfront Redevelopment Project stadium and businesses.

Table 4: Summary of Annual Recurring Economic Impacts Generated On-Site by the Pawtucket Riverfront Redevelopment Project Phase 1, 2026

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	538	91	629
Personal Earnings	\$34,179,000	\$5,171,000	\$39,350,000
Total Output	\$17,707,005	\$14,778,000	\$32,485,005

As outlined in the key assumptions, in-district spending consists of in-facility spending by patrons of the stadium on items such as admissions, concessions, merchandise and parking, as well as mixed-use business operations. Table 4 summarizes the net new economic impact to the State from in-district spending estimated to occur within the proposed stadium and businesses annually:

- \$17.7 million in net new direct spending;
- \$32.5 million in total output;
- 629 full and part-time jobs (FTEs); and,
- \$39.4 million in annual personal earnings.

⁷ Median wages cited in Table 3 are from Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2019

Out-of-District Spending

In addition to the operations of the proposed stadium and businesses, the Rhode Island economy will benefit from the out-of-district spending generated as a result of the Pawtucket Riverfront Redevelopment Project. Out-of-district spending includes all spending by visiting teams and spectators to the new USLC stadium, as well as office workers employed on-site and residents living in the apartment buildings.

As shown below in Table 5, it is estimated that in 2026 out-of-district spending will directly and indirectly support:

- \$5.7 million in net new direct spending;
- \$10.6 million in total output;
- 131 full and part-time jobs; and,
- \$4.8 million in annual earnings.

Table 5: Summary of Annual Recurring Economic Impacts Generated Off-Site by the Pawtucket Riverfront Redevelopment Project Phase 1, 2026

Impact on:	Direct	Indirect & Induced	Total
Jobs (FTEs)	101	31	131
Personal Earnings	\$3,114,000	\$1,713,000	\$4,827,000
Total Output	\$5,709,000	\$4,848,000	\$10,557,000

Impact on State Tax Revenues

The proposed project would generate state tax revenues through spending on construction, through the operations of proposed stadium and businesses, and through out-of-district spending by those patronizing the new USLC stadium and mixed-use businesses. The following table provides a summary of the net new fiscal impacts estimated to be generate to the State on an annual basis by type.

Table 6: Summary of Fiscal Impacts of Construction and Phase 1 Annual Operations Net New to the State, 2026

Impact on:	Direct	Indirect & Induced	Total
Construction Impacts:			
Sales Tax	\$5,343,000	\$2,448,000	\$7,791,000
Personal Income Tax	\$2,545,000	\$1,018,000	\$3,563,000
Corporate Income Tax	\$1,492,000	--	\$1,492,000
Total	\$9,380,000	\$3,466,000	\$12,846,000
In-District Annual Operations Impacts:			
Sales Tax	\$191,000	\$200,000	\$391,000
Hotel Tax	--	--	\$0
F&B Tax	\$648,000	--	\$648,000
Corporate Income Tax	\$504,000	--	\$504,000
Personal Income Tax	\$879,000	\$80,000	\$959,000
Total	\$2,222,000	\$280,000	\$2,502,000
Out-of-District Annual Operations Impacts:			
Sales Tax	\$199,000	\$69,000	\$268,000
Hotel Tax	\$25,000	--	\$25,000
F&B Tax	\$87,000	--	\$87,000
Corporate Income Tax	--	--	--
Personal Income Tax	\$99,000	\$28,000	\$127,000
Total	\$410,000	\$97,000	\$507,000

Overall, it is estimated that construction of the new USLC stadium and mixed-use businesses could generate approximately \$12.8 million to the State of Rhode Island. On an annual basis, the operations of the facility and businesses could generate approximately \$2.5 million from in-district activities and \$507,000 from out-of-district activities to the State in 2026.

Non-Quantifiable Impacts

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

- Enhanced activity across two underutilized sites on the riverfront in Pawtucket;
- Modern facility for a new USLC soccer team;
- Enhanced spectator event opportunities for citizens of the State of Rhode Island;
- Enhanced community pride, self-image, exposure and reputation;
- Increased opportunities for charitable programs and community outreach;
- New advertising/sponsorship opportunities for local area businesses;
- Enhanced economic growth and ancillary private sector development;
- Increased supply of office space in the City of Pawtucket;
- Increased supply of apartment units; and,
- Other such benefits.