

**RHODE ISLAND COMMERCE CORPORATION**

**AGENDA**

**OCTOBER 1, 2018**

Call to order and opening remarks.

- Tab 1: To consider the approval of meeting minutes for the meeting held July 23, 2018.
- Tab 2: To consider Collette Travel Service, Inc., for an award under the Qualified Jobs Incentive Tax Credit program.\*
- Tab 3: To consider for approval the financial statements of the Corporation.
- Tab 4: To consider for approval an Innovation Voucher for Bradford Soap.\*
- Tab 5: To consider for approval a Network Matching Grant for the Northeast Clean Energy Council.\*
- Tab 6: To consider amendments to the regulations for the Renewable Energy Fund program.
- Tab 7: To receive an update on the Small Business Assistance Program.
- Tab 8: To consider the utilization of the Corporation's incentive programs for the investment of public funds.\*

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

TAB 1

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

**OCTOBER 1, 2018**

**APPROVED**

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

**RHODE ISLAND COMMERCE CORPORATION**

**MEETING OF DIRECTORS**

**PUBLIC SESSION**

July 23, 2018

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on July 23, 2018, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

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

Directors absent were: Bernard Buanno III, Tim Hebert and Ronald O' Hanley.

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

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

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

2. **TO CONSIDER THE MEETING MINUTES FOR THE MEETING HELD ON JUNE 28, 2018 AND AN AMENDMENT TO THE MINUTES OF THE MEETING HELD ON APRIL 23, 2018.**

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

**VOTED:** To approve the meeting minutes for the meeting held June 28, 2018 and an amendment to the minutes of the meeting held April 23, 2018 as presented to the Board.

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

Voting against the foregoing were: none.

3. **TO CONSIDER HAMMETTS WHARF LLC FOR AN AWARD UNDER THE TAX INCREMENT FINANCING PROGRAM.**

The Governor introduced Jeff Miller, Executive Vice President Investments, to present the matter to the Directors.

Mr. Miller explained that the applicant, Hammetts Wharf LLC, is seeking a Tax Increment Financing incentive in the principal amount of \$3,500,000, with a ten year term, in relation to an eighty-four room hotel to be located in downtown, Newport. He indicated that the project would also contain a restaurant of approximately 4,000 square feet, retail space of approximately 3,000 square feet and approximately 1,000 square feet of office space. Mr. Miller described the location of the property and the placement of the hotel on the site.

Ms. Lovejoy asked about the portfolio of projects in Newport supported by the Corporation's incentives. Mr. Miller indicated that the Corporation had provided support under the Rebuild Rhode Island Tax Credit program to the Innovate Newport project. The Governor reminded the Board that the Innovate Newport project will transform the old Sheffield School on Broadway into co-working, incubator and office space.

Mr. Nee inquired as to how many employees would be at the project and when would construction start. Sam Bradner, a representative of the applicant, indicated that the project is expected to have eighty full-time equivalents upon stabilization with construction expected to start in October 2018.

In response to questions by Mr. Wadensten, Mr. Bradner, described the location of the hotel and the retention of surface parking under the hotel building. He noted that activities such as the annual boat show will not be impacted by the new hotel and displayed a proposed site plan for the Board to view.

Mr. Wadensten commented that Newport is an attractive location to investors and noted the importance of these types of projects.

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

**VOTED:** To approve Hammetts Wharf LLC for an award under the Tax Increment Financing program pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

4. **TO CONSIDER FOR APPROVAL INNOVATION VOUCHERS.**

The Governor introduced Christine Smith, Managing Director Innovation, to present the proposed Innovation Vouchers.

Ms. Smith gave a summary of the proposed Innovation Vouchers. She noted that Pilgrim Screw was seeking to continue its relationship with the University of Rhode Island to develop a commercial application for the research undertaken to date. She further indicated that American Cord & Webbing was proposing to undertake in-house research and development related to buckle assemblies.

In response to a question from Ms. Lovejoy, Ms. Smith indicated that there have been about a half dozen successive awards under the program.

Ms. Kaplan inquired if there was any limit on such successive applications. Ms. Smith noted that the Corporation had adopted a policy of limiting successive application to two awards.

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

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

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

Voting against the foregoing were: none.

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

5. **TO CONSIDER FOR APPROVAL AN INDUSTRY CLUSTER GRANT FOR RHODE ISLAND VIRTUAL REALITY.**

Ms. Kaplan recused herself from participation in this matter.

The Governor introduced Dan Jennings, Senior Economic Development Advisor, to present the proposed Industry Cluster Grant as well as funding for the Supply RI initiative.

Mr. Jennings gave an introduction of the virtual reality (“VR”) industry in Rhode Island. He indicated that the Rhode Island Virtual Reality (“RIVR”) was formed in 2016 to foster the development of a VR ecosystem in the State. Mr. Jennings indicated that RIVR had received \$91,000 of support from other sources, which together with the grant would permit the association to introduce and educate the manufacturing and health sectors as to VR and potential industry applications.

Mr. Jennings indicated that RIVR would undertake three working groups related to each sector and also to build out a resource directory on its website.

Mr. Wadensten noted some of his experiences with VR and he had a dialogue with Siu-Li Khoe, a representative of RIVR, regarding outreach and implementation relative to small and medium sized companies.

Ms. Toledo-Vickers asked about curriculum to support the industry and Mr. Jennings noted many local institutions have classes that educate students about VR. Dr. Carriuolo also noted that New England Institute of Technology has a VR lab that permits students and faculty to experiment with VR.

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

**VOTED:** To approve the Industry Cluster Grant pursuant to the Resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

6. **TO CONSIDER FUNDING WITH RESPECT TO THE SUPPLY RI INITIATIVE.**

Mr. Jennings indicated that with the Corporation's support Supply RI was well underway and presently has twelve industry member including large private employers, universities and colleges. He indicated that the program was presently staffed, had created a database containing over 1,400 suppliers that has been made available to the members. Mr. Jennings discussed the events held under the initiative for suppliers and other support provided to suppliers through related initiatives such as the CCRI 10k program. He indicated that the State's fiscal year 2019 budget provided an appropriation of \$300,000 for Supply RI and the Board was being asked to approve expenditure of the funding consistent with the proposed budget.

In response to a question from the Governor, Mr. Jennings highlighted some of the proposed outcomes anticipated by the end of the fiscal year.

The Governor noted that even a small shift in spending by large institutions can have a significant economic impact.

Mr. Wadensten noted the success of a similar program in Michigan in relation to fostering business ties between large employers and local business suppliers.

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

**VOTED:** To approve funding for the Supply RI initiative pursuant to the Resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

7. **TO RECEIVE AN UPDATE ON THE SMALL BUSINESS ASSISTANCE PROGRAM.**

This matter was deferred to a future meeting.

8. **TO CONSIDER AMENDMENTS TO THE REGULATIONS FOR THE QUALIFIED JOBS INCENTIVE TAX CREDIT PROGRAM, THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM AND THE WAVEMAKER FELLOWSHIP PROGRAM.**

The Governor asked Mr. Saglio to discuss the proposed amendments to the regulations with the Directors.

Mr. Saglio indicated that the amendments were intended to streamline, clarify and improve certain program aspects. He noted as examples, clarifying language added relative to successive applications under the Qualified Jobs Incentive Tax Credit rules and language added to the Rebuild Rhode Island Tax Credit regulations that would permit the Corporation the option to have tax credits issued over either a four year period or five year period.

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

**VOTED:** To authorize amendments to the regulations for the Qualified Jobs Incentive Tax Credit program, the Rebuild Rhode Island Tax Credit program and the Wavemaker Fellowship program pursuant to the Resolution submitted to the Board.

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

Voting against the foregoing were: none.



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

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:46 p.m. upon motion made by Ms. Sams and seconded by Mr. Wadensten.

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Thomas E. Carlotto, Secretary

JULY 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

**RHODE ISLAND COMMERCE CORPORATION**  
**PUBLIC NOTICE OF MEETING**

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

**PUBLIC SESSION**

1. Call to order and opening remarks.
2. To consider for approval meeting minutes.
3. To consider Hammetts Wharf LLC for an award under the Tax Increment Financing program (See Exhibit 1, which follows, for additional detail).\*
4. To consider for approval Innovation Vouchers (See Exhibit 1, which follows, for additional detail).\*
5. To consider for approval an Industry Cluster Grant for Rhode Island Virtual Reality.\*
6. To consider funding with respect to the Supply RI initiative.\*
7. To receive an update on the Small Business Assistance Program.\*
8. To consider amendments to the regulations for the Qualified Jobs Incentive Tax Credit program, the Rebuild Rhode Island Tax Credit program and the Wavemaker Fellowship program.
9. To consider the utilization of the Corporation's incentive programs for the investment of public funds.\*

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

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

Shechtman Halperin Savage, LLP,  
Counsel to the Corporation

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

Dated: July 19, 2018

## EXHIBIT 1

### Agenda Item 3

The applicant seeks incentives under the Tax Increment Financing program in relation to the development of an eighty-four room hotel in Newport, Rhode Island. The total development cost for the project is estimated at approximately \$28.3 million and the requested incentive is in the principal amount of \$3,500,000.

### Agenda Item 4

The following applicants are being recommended for Innovation Vouchers:

<u>Applicant</u>	<u>Amount</u>
American Cord & Webbing Co., Inc.	\$50,000
Pilgrim Screw Corporation	\$49,556

JULY 23, 2018 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

July 23, 2018

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

**WHEREAS:** Chapter 64.21 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 Hammetts Wharf LLC (the “Recipient”) under the TIF Act in relation to a project (the “Project”) located in Newport, RI, which is proposed to consist of a hotel development that will contain approximately eighty-four hotel rooms; and

**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.



10. 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:** Tax Increment Financing Credit Application

**Date:** July 23, 2018

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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 Hammetts Wharf 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 the real property located in Newport, RI as depicted on Exhibit A annexed to Exhibit 2 of the approving resolution.
3. The length of the TIF agreement shall be 10 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



# Rhode Island Department of Revenue

## Division of Taxation

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

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

**Re:** Revenue Increment Base Certification for Hammetts Wharf, LLC TIF Application

**Date:** July 23, 2018

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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 Hammetts Wharf, LLC (the "Application") for incentives under the Rhode Island Tax Increment Financing Act of 2015, R.I. Gen. Laws § 42-64.21-1 *et seq.* (the "Act"). The Corporation proposes to enter into a TIF agreement with the Applicant in which the relevant tax streams will be the hotel sales and occupancy taxes as well as restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws. The Act requires the Division to certify the "revenue increment base" for this proposed TIF agreement. See R.I. Gen. Laws § 42-64.21-3(11). This memo constitutes the Division's certification under the Act.

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

- The Application is for a hotel, restaurant and storefront retail project in Newport, RI.
- The proposed qualifying TIF area for the Application located on AP 27/Lot 248, AP 27/Lot 281, AP 27/Lot 077, and AP 27/Lot 078, as depicted in the map attached in Exhibit A.
- The Corporation has determined, in its discretion, the eligible revenues for purposes of this Application would not exceed the sales and hotel occupancy taxes as well as restaurant food and beverages taxes assessed and collected under Chapters 18 and 19 of Title 44 of the General Laws.
- The TIF Agreement is anticipated to be entered into in the 2018 calendar year.

The Division of Taxation has determined that no Rhode Island hotel sales and occupancy taxes nor restaurant food and beverages taxes was collected or assessed in the proposed qualifying TIF area for the calendar year 2017. 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 Qualitying TIF Area (site outlined in blue)  
AP 27/Lot 248, AP 27/Lot 281, AP 27/Lot 77, and AP 27/Lot 78

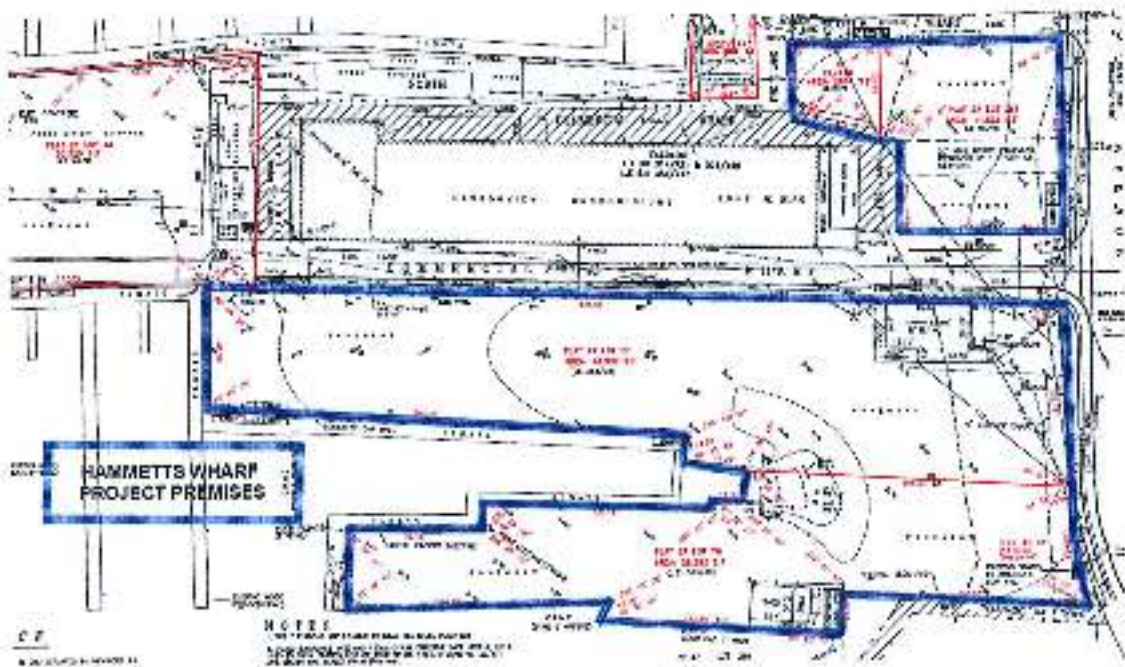


EXHIBIT 3  
Rhode Island Commerce Corporation

**Rebuild Rhode Island Tax Credits – Economic Impact Analysis**

*Hammetts Wharf LLC Application*

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may provide Rebuild Rhode Island tax increment financing (“TIF”) to Hammetts Wharf LLC (the “Sponsor”). The credits would be provided in connection with the Sponsor’s proposed investment in a new mixed-use development on the waterfront in Newport. The project would include:

- An 84-room limited-service hotel
- A 4,000 square-foot full-service restaurant
- 3,000 square feet of retail space
- 1,000 square feet of office space
- 160 parking spaces – 58 structured and 102 surface spaces
- A walkway providing public access to the waterfront

The Sponsor estimates the total cost of the project to be \$28.3 million. The Sponsor is requesting Rebuild Rhode Island tax increment financing totaling \$3.5 million.

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

**Jobs Analysis**

*Construction*

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately \$28.3 million.

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

<b>Component</b>	<b>Estimated cost</b>
Land costs	\$0.3
Construction (hard costs)	18.1
Architecture and engineering	2.1
Owner’s direct costs	6.2
Carrying costs	0.7
Closing costs	0.9
<b>Total</b>	<b>\$28.3</b>

After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such land acquisition and interest paid during construction), spending on development of the proposed project is estimated to total approximately \$26.8 million.

Appleseed estimates that direct expenditures of \$26.8 million will directly and indirectly generate:

- 180 person-years<sup>1</sup> of work in Rhode Island, with \$11.0 million in earnings (in 2019 dollars);
- Approximately \$32.0 million in statewide economic output<sup>2</sup>; and
- A one-time increase of \$17.5 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 (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

**Table 2: Direct, indirect and induced impact of construction and related spending (employment in person-years; income, value-added and output in millions of 2019 dollars)**

	<b>Employment</b>	<b>Earnings</b>	<b>Value added</b>	<b>Output</b>
Direct Effect	134	\$8.4	\$13.3	\$25.1
Indirect Effect	46	2.6	\$4.2	\$6.9
<b>Total Effect</b>	<b>180</b>	<b>\$11.0</b>	<b>\$17.5</b>	<b>\$32.0</b>

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of \$26.8 million would generate a projected one-time increase of approximately \$645,000 in taxes paid to the State during construction, including:

- \$413,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- \$180,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$52,000 in state business taxes.

The activity reflected in Table 2 will occur from the fall of 2018 through the spring of 2020.

<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.



The anticipated wage rates for construction jobs are shown below in Table 3. Anticipated wage rates are the median hourly wage for these occupations in Rhode Island, as of 2017.

**Table 3: Anticipated wages during construction**

Occupation	RI median hourly wage <sup>3</sup>
Architect	\$40.36
Construction manager	\$47.10
Carpenter	\$22.82
Electrician	\$27.42
Plumber	\$27.71
Painter	\$18.85
Laborer	\$19.39

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

### *Annual operations*

The proposed hotel and other new businesses at Hammetts Wharf are expected to begin operating in mid-2020, with stabilized operations being reached in 2022. Using IMPLAN, and based on information provided by the Sponsor, Appleaseed estimates (as shown in Table 4) that in 2022, ongoing operations would directly and indirectly support:

- 99 full-time-equivalent jobs in Rhode Island, with approximately \$3.98 million in annual earnings (in 2022 dollars);
- \$11.12 million in annual statewide economic output; and
- An increase of \$6.70 million in Rhode Island’s annual GDP.

**Table 4: Direct, indirect and total incremental impact of hotel and commercial tenant operations at Hammetts Wharf, 2022 (employment in FTE; earnings, value-added and output in millions of 2022 dollars)**

	Employment	Earnings	Value added	Output
Direct Effect	84	\$3.0	\$5.1	\$8.3
Indirect	15	\$1.0	1.6	2.8

<sup>3</sup> Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2017

Effect				
<b>Total Effect</b>	<b>99</b>	<b>\$4.0</b>	<b>\$6.7</b>	<b>\$11.1</b>

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, ongoing operations would generate a projected gross increase of approximately \$589,000 in taxes paid to the state in 2022, including:

- \$356,000 in state sales and hotel taxes levied on room rentals at the proposed new hotel;
- \$149,000 in state personal income taxes paid by Rhode Island workers employed by the hotel or by other Hammetts Wharf commercial tenants, or whose jobs are indirectly attributable to the operations of those businesses;
- \$65,000 in state sales taxes paid on those workers' taxable household spending;
- \$19,000 in state business taxes.

Workers employed by the hotel and by commercial tenants at Hammetts Wharf would be drawn primarily from communities throughout the Providence-Warwick RI-MA NECTA.

### **Impact**

The state fiscal impact of the requested TIF incentives is approximately \$3.5 million in foregone state tax revenue. Direct and indirect economic and fiscal benefits of the proposed project include an estimated increase in annual state GDP (in 2022) of approximately \$6.7 million; the associated job creation; and a gross increase of approximately \$7.7 million in hotel, personal income, sales and business tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years from mid-2020 through mid-2032.

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

- By redeveloping and activating an underutilized site on the Newport waterfront
- By improving public access to the waterfront
- By increasing hotel capacity in the city
- By increasing hotel, real property and personal property taxes paid to the city

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. Various features of the Rebuild Rhode Island program mitigate other risks to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the requested TIF incentives will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that state's participation would be capped at the amount set forth above.

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EXHIBIT C

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

July 23, 2018

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

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

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

**WHEREAS:** The Corporation received an 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 Vouchers to the Recipients in the amounts set forth in Exhibit 1.
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of a Voucher Agreement between the Corporation and the Recipients meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

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

7. This resolution shall take effect immediately upon adoption by the Board.

EXHIBIT 1

Applicant	Amount
American Cord & Webbing Co., Inc.	\$50,000
Pilgrim Screw Corporation	\$49,556

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EXHIBIT D



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

July 23, 2018

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

**WHEREAS:** Chapter 64.29 of Title 42 of the General Laws of Rhode Island (the “Cluster Grant Act”), as amended, authorizes the Corporation to award 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 an applications from the recipient identified on Exhibit 1 (the “Recipient”) for a grant award in the amount specified in Exhibit 1 (the “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 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 the Grant to the Recipient 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 the 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 the Rules prior to issuance of funding for a 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 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	Amount
Rhode Island Virtual Reality	\$85,000

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EXHIBIT E

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

July 23, 2018

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation (“the Corporation”) received a presentation from the Corporation’s staff regarding the Supply RI initiative (“the Program”);

WHEREAS, the Corporation was appropriated funding in the State’s fiscal year 2019 budget for the Program.

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

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, Chief Financial Officer and/or Managing Director of Financial Services (the “Authorized Officers”), acting singly, shall have the authority to negotiate and execute any and all documents and takes such actions as any Authorized Officer deems appropriate in connection with the implementation of the Program.

Section 2: The Corporation shall commit up to an additional Three Hundred Thousand Dollars (\$300,000) to assist in the implementation of the Program, unless future funding is authorized by the Board in a subsequent approving resolution or in adopting the Corporation’s annual budget.

Section 3: This Resolution shall take effect immediately upon passage.

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EXHIBIT F

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

July 23, 2017

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation (“the Corporation”) received a presentation from the Corporation’s staff regarding amendments to the regulations for the Qualified Jobs Incentive Tax Credit program, the Rebuild Rhode Island Tax Credit program and the Wavemaker Fellowship program; and

WHEREAS, the proposed amendments are consistent with the statutory framework for the identified programs and intended to foster economic development.

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

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief of Staff, President and COO, Chief Financial Officer and/or Managing Director of Financial Services (the “Authorized Officers”), acting singly, shall have the authority to promulgate the regulations as presented to the Board with such additional revisions as may be deemed appropriate and in the best interests of the Corporation consistent with the intention of such amendments and to take any actions consistent with applicable law to provide for the amendment of said regulations including compliance with the Administrative Procedure Act.

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

TAB 2



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

**OCTOBER 1, 2018**

**APPROVED**

**VOTED:** To approve Collette Travel Service, Inc. for an award under the Qualified Jobs Incentive Tax Credit program pursuant to the resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION  
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES  
UNDER THE QUALIFIED JOBS TAX CREDIT ACT  
OCTOBER 1, 2018

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

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

**WHEREAS:** The Corporation received an application for incentives under the Act from Collette Travel Service, Inc. (together with affiliates, successors and assigns, the “Recipient”), which is anticipated to result in the creation of new full-time jobs in the State; and

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

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

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

**RESOLVED:**

1. To accomplish the purposes of the Enabling Act and the Act, the Corporation approves the issuance of the following incentives:
  - a. Under the Act, tax credits to the Recipient up to the amount of fifty (50) jobs not to exceed Seven Thousand Five Hundred Dollars (\$7,500) per new full-time job annually.
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of an incentive agreement between the Corporation and the Recipient meeting the requirements of the Act in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

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

authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

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

EXHIBIT 1

**Rhode Island Commerce Corporation**  
**Qualified Jobs Incentive Tax Credits – Economic Impact Analysis**  
***Collette Travel Service, Inc. Application***

**Introduction**

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Collette Travel Service, Inc. (“the Company”), a Pawtucket--based global tour operator and provider of travel services. The credits would be issued in connection with the Company’s decision to expand its operations in Rhode Island, resulting in the creation of new information technology, business development, marketing and management jobs in Pawtucket. The Company would add 50 jobs by 2021<sup>1</sup>.

The Company has requested Qualified Jobs Incentive tax credits with an estimated value of approximately \$1.3 million.

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

**Jobs Analysis**

***Annual operations***

As noted above, the Company intends to add 50 employees to its Pawtucket operations in 2021. Table 1 summarizes the categories in which these jobs will be created (as of 2021), and the median salary for the new jobs.

**Table 1: Projected employment, 2021**

<b>Job category</b>	<b>New positions (as of 2021)</b>	<b>Median salary</b>
Information technology, product design and professional services	50	\$59,000

Based on data provided by the Company, and using the IMPLAN input-output modeling system (a modeling tool commonly used in economic impact studies), Appleseed estimates that in

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<sup>1</sup> In addition to the 50 jobs cited here, the proposed expansion would entail the hiring of additional call center workers; but the Company has not included those jobs in its application for Qualified Jobs Incentive tax credits.

2021, ongoing operations associated with the 50 full-time jobs the Company would be committed to creating and maintaining would directly and indirectly support:

- 84 full-time-equivalent (FTE) jobs in Rhode Island;
- \$5.6 million in annual earnings (in 2021 dollars);
- \$16.8 million in statewide economic output; and
- An increase of \$8.6 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 2. The *direct impact* of the Company’s proposed expansion is the impact of the company’s increased spending on the wages and salaries paid to its new Rhode Island employees, and other expenditures associated with the work of those employees. Its *indirect impact* is the effect of the Company’s increased spending on goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

**Table 2: Direct, indirect and total annual impact of ongoing operations (employment in FTE; income, value-added and output in millions of 2021 dollars)**

	Jobs	Earnings	Value added	Output
<b>Direct</b>	50	\$3.4	\$5.3	\$11.1
<b>Indirect</b>	34	2.2	3.3	5.7
<b>Total</b>	84	\$5.6	\$8.6	\$16.8

In addition to the impacts on employment, earnings, output and state GDP cited above, expansion of the Company’s operations in Rhode Island would generate a projected increase of approximately \$325,000 in annual state tax revenues, including:

- \$208,000 in state personal income taxes paid by workers newly employed by the Company in its expanded operations in Rhode Island, or by Rhode Island workers whose jobs are indirectly attributable to the Company’s expansion;
- \$91,000 in state sales taxes paid on those workers’ taxable household spending; and
- \$26,000 in state business taxes.

## Benefits

The Company offers a comprehensive set of employee benefits. The Company pays 75 percent of the cost of health insurance, 50 percent of the cost of a dental plan and the full cost of vision care. It also offers a 401(k) plan, with an employer match equal to 50 percent of the employee’s contribution, up to 2.5 percent of total salary. Depending on its overall performance, the Company also awards “bonus” contributions to its employees’ 401(k) accounts, which can bring the total employer match up to 4.0 to 5.0 percent of annual salary.

The Company also provides a wellness program for all employees, 10 to 20 days of paid vacation per year, and 5 personal and/or sick days. Employees are also entitled to up to ten

days of “familiarization” tours each year, to ensure that they are familiar with the Company’s travel products.

## **Hiring**

After a request to fill a position has been approved by the Executive Vice President for Human Resources and the Chief Financial officer, the position is posted internally and on external career pages such as Monster.com and Indeed.com. The Company also seeks candidates through LinkedIn, and advertises vacancies in local newspapers and through university placement offices.

All applications received are reviewed, and qualified applicants are either screened by phone or called in for an initial interview with a recruiter. The most qualified candidates are then reviewed by a manager. Once a candidate is chosen, the Company checks references, as well as criminal and credit histories. If these checks are completed satisfactorily, the Company then extends an offer.

## **Impact**

The state fiscal impact of the requested tax credits is estimated to be approximately \$1.3 million in foregone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$8.6 million, the estimated associated job creation, and a gross increase of \$3.9 million in personal income, sales and business tax revenues during the twelve-year commitment period beginning in 2021. These benefits are detailed in the foregoing analysis.

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

- Highlighting Rhode Island’s attractiveness as a base for companies serving global markets
- Retaining its existing call center operations in Pawtucket
- Providing additional entry-level jobs in its expanded call center operations

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



TAB 3

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

**OCTOBER 1, 2018**

**APPROVED**

**VOTED:** To approve the Corporation's financial statements in a form substantially similar to that as presented to the Board.

TAB 4

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

**OCTOBER 1, 2018**

**APPROVED**

**VOTED:** To approve an award to Bradford Soap Works, Inc. for Innovation Vouchers pursuant to the resolution submitted to the Board.

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

OCTOBER 1, 2018

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

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

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

**WHEREAS:** The Corporation received an applications from Bradford Soap Works, Inc. (the “Recipient”) 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 Recipient together with a recommendation from the staff of the Corporation to approve the award of Voucher 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 a Voucher to the Recipient in the amount of Fifty Thousand Dollars (\$50,000).
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of a Voucher 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 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.
7. This resolution shall take effect immediately upon adoption by the Board.

TAB 5

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

**OCTOBER 1, 2018**

**APPROVED**

**VOTED:** To approve a Network Matching Grant to the Northeast Clean Energy Council pursuant to the resolution submitted to the Board.



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

OCTOBER 1, 2018

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

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

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

**WHEREAS:** The Corporation received an application from the Northeast Clean Energy Council (the “Recipient”) for an award of a Grant; and

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

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

**RESOLVED:**

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves the award of the Grant to the Recipient in the amount of Sixty Two Thousand Dollars (\$62,000) and determines that the awards are granted in compliance with the Grant Application Review and Evaluation Principles adopted by the Corporation.
2. The authorization provided herein is subject to the following conditions:
  - a. The execution of a Grant Agreement between the Corporation and the Recipient meeting the requirements of the Innovation Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

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

documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

TAB 6

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

**OCTOBER 1, 2018**

**APPROVED**

**VOTED:** To authorize amendments to the Renewable Energy Fund program pursuant to the resolution submitted to the Board.

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

OCTOBER 1, 2018

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation (“the Corporation”) received a presentation from the Corporation’s staff regarding amendments to the regulations for the Renewable Energy Fund program; and

WHEREAS, the proposed amendments are consistent with the statutory framework for the identified programs and intended to foster economic development.

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

Section 1: Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO, Chief Financial Officer and/or Managing Director of Financial Services (the “Authorized Officers”), acting singly, shall have the authority to promulgate the regulations as presented to the Board with such additional revisions as may be deemed appropriate by one of the Authorized Officers and in the best interests of the Corporation consistent with the intention of such amendments and to take any actions consistent with applicable law to provide for the amendment of said regulations including compliance with the Administrative Procedure Act.

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

TAB 7

**NO VOTE**