RHODE ISLAND COMMERCE CORPORATION

AGENDA

December 17, 2018

Call to order and opening remarks.

Tab 1: To consider the approval of meeting minutes for the meeting held November 19, 2018.

Tab 2: To consider an amendment to the award to the City of Newport under the Rebuild Rhode Island Tax Credit program.*

Tab 3: To consider a Network Matching Grant for MassChallenge.*

Tab 4: To consider the engagement of Hillview Partners, LLC to provide advisory services in relation to Opportunity Zones.*

Tab 5: To provide consent for a solar project on a portion of the property leased to Fidelity, which is located in Smithfield.*

Tab 6: To consider the utilization of the Corporation’s incentive programs for the investment of public funds.*

*Board members may convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(7) to discuss this Agenda item.
VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

DECEMBER 17, 2018

APPROVED

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

MEETING OF DIRECTORS
PUBLIC SESSION
November 19, 2018

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on November 19, 2018, in Public Session, beginning at 4:00 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: Bernard Buonanno, III, Dr. Nancy Carriuolo, Jason Kelly, Mary Jo Kaplan, Michael McNally, George Nee, Donna Sams, Vanessa Toledo-Vickers and Karl Wadensten.

Directors absent were: Governor Gina M. Raimondo, Ronald O’ Hanley, Tim Hebert and Mary Lovejoy.

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

1. CALL TO ORDER AND OPENING REMARKS.

Mr. McNally, acting as Presiding Officer at this meeting, called the meeting to order at 4:06 indicating that a quorum was present.

2. TO CONSIDER THE MEETING MINUTES FOR THE MEETING HELD ON OCTOBER 1, 2018.

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

VOTED: To approve the meeting minutes for the meeting held October 1, 2018

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

Voting against the foregoing were: none.

3. TO CONSIDER ONEMETRO, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.

Mr. Saglio gave an overview of the office building to be developed by Michael Integlia, which is proposed to be located in Warwick. He indicated that the project is a 75,000 square foot
office building with class A space. Mr. Saglio discussed Mr. Integlia’s experience in developing commercial real estate and his long-standing familiarity with the Warwick market.

He noted that the development cost of the building is $19 million, and the company is seeking $3 million tax credits, plus a sales tax exemption on building materials. Mr. Saglio emphasized the importance of this type of project to aid in business attraction in the state as there is a lack of large floor plate speculative office space. Mr. Saglio detailed the anticipated economic impact of the project including the creation of 85 construction jobs and an estimated $42 million increase to GDP upon stabilization.

Mr. McNally and Mr. Buonanno discussed the proposed project and noted that the Committee discussed concerns about impacts on other landlords in the area and contractual mechanism to mitigate such issues.

Mr. Nee inquired if there would be contractual requirements to protect against such issues and Mr. Saglio answered in the affirmative.

There was a dialogue between Mr. Integlia and board members about the project and the ability to attract businesses from out of state or companies that are out-growing their present space.

Mr. Nee asked for assurance that the subcontractors appropriately classify workers and Mr. Integlia indicated his company was committed to ensuring that it engages only higher caliber vendors who don’t have such issues.

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

**VOTED:** To approve OneMetro, LLC for an award under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno III, Dr. Nancy Carriuolo, Jason Kelly, Mary Jo Kaplan, 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 STEEPLE STREET RI, LLC FOR INCENTIVES UNDER THE REBUILD RHODE ISLAND TAX CREDIT PROGRAM.**

Mr. Saglio reminded the Board that it had previously approved a project known as the Edge located at 110 North Main Street and the project under consideration is phase two of the development. He explained that the project is approximately 135,000 square foot, $59 million project. He noted that the developer has executed at a very high level on phase one and that
phase two will consist of an estimated 163 residential units primarily targeted at students and contain about 9,000 square feet of ground floor retail space. Mr. Saglio indicated that the applicant is seeking tax credits in the amount of $6 million, plus a sales tax exemption on building materials.

Mr. Wadensten asked why the Board should be considering additional incentives to this developer. Mr. Saglio responded that the development was always intended as a two phase project, with the second phase dependent upon the first phase being successful. He further noted that the project would replace a parking lot and be a much better use.

There was a dialogue between Secretary Pryor and board members about aspects of the Rebuild program and consideration of the use of incentives and type of developments going forward.

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

**VOTED:** To approve Steeple Street RI, LLC for an award under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: Bernard Buonanno III, Dr. Nancy Carriuolo, Jason Kelly, Mary Jo Kaplan, 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 APPLICANTS FOR AWARDS UNDER THE INNOVATION VOUCHER PROGRAM.**

Christine Smith, Managing Director Innovation, presented three applicants for Innovation Vouchers and program progress to date as detailed in the power point attached as Exhibit D.

After discussing each project, Ms. Smith introduced each of the applicants to the Board and there was a dialogue with each applicant and Board members about their respective endeavors.

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

**VOTED:** To approve applicants for awards under the Innovation Voucher Program pursuant to the resolution submitted to the Board.
Voting in favor of the foregoing were: Bernard Buonanno III, Dr. Nancy Carriuolo, Jason Kelly, Mary Jo Kaplan, 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.

6. TO CONSIDER APPLICANTS FOR AWARDS UNDER THE MAIN STREET RHODE ISLAND STREETSCAPE IMPROVEMENT PROGRAM.

Joseph Riccio, Senior Economic Advisor, presented nine projects for approval and generally described each project.

Mr. Wadensten asked if the signage was standardized or could be unique to a community and Mr. Riccio indicated there was not a requirement for uniformity.

Dr. Carrioulo inquired if the projects go out to bid and Mr. Riccio responded in the affirmative.

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

VOTED: To approve the awards under the Main Street Rhode Island Streetscape Improvement Program.

Voting in favor of the foregoing were: Bernard Buonanno III, Dr. Nancy Carriuolo, Jason Kelly, Mary Jo Kaplan, 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.

7. TO CONSIDER THE PROMULGATION OF REGULATIONS REQUIRED UNDER THE ADMINISTRATIVE PROCEDURES ACT.

Mr. Carlotto explained that the regulations before the Board are required under the Administrative Procedures Act. He further indicated that they were developed using templates created by the Secretary of State for these specific regulations.

Upon motion duly made by Mr. Nee and seconded by Dr. Nancy Carriuolo, the following vote was adopted:
VOTED: To authorize the promulgation of regulations required under the Administrative Procedures Act pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

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

Mr. Wadensten was not present for the vote regarding the regulations or the vote to adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 5:10 p.m. upon motion made by Mr. Nee and seconded by Dr. Carriuolo.

/ls/ Thomas E. Carlotto

Thomas E. Carlotto, Secretary
PUBLIC SESSION MEETING MINUTES NOVEMBER 19, 2018

EXHIBIT A
MEETING NOTICE
RHODE ISLAND COMMERCE CORPORATION BOARD OF DIRECTORS

A meeting of the Board of Directors of the Rhode Island Commerce Corporation will be held at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island, on November 19, 2018 beginning at 4:00 p.m., for the following purposes:

1. Call to order and opening remarks.

2. To consider for approval meeting minutes.

3. To consider One MetroCenter, LLC for incentives under the Rebuild Rhode Island Tax Credit program (See Exhibit 1, which follows, for additional details).*

4. To consider Steeple Street RI, LLC for incentives under the Rebuild Rhode Island Tax Credit program (See Exhibit 1, which follows, for additional details).*

5. To consider applicants for awards under the Innovation Vouchers program (See Exhibit 1, which follows, for additional details).*

6. To consider applicants for awards under the Main Street Rhode Island Streetscape Improvement program (See Exhibit 1, which follows, for additional details).*

7. To receive an update regarding the Corporation’s marketing efforts.

8. To consider the promulgation of regulations required under the Administrative Procedures Act (See Exhibit 1, which follows, for additional details).

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.

Shechtman Halperin Savage, LLP
Counsel to the Corporation

Dated: November 15, 2018
EXHIBIT 1

**Agenda item 3:**

The applicant seeks incentives under the Rebuild Rhode Island Tax Credit program in relation to ground-up development project consisting of approximately 75,000 square feet of commercial space located at parcel 278-0145 in Warwick, Rhode Island. The total development cost for the project is estimated at approximately $19 million and the applicant is seeking $3 million in tax credits. The applicant is One MetroCenter, LLC, an entity affiliated with Michael Integlia & Company, a Rhode-Island based developer of commercial real estate properties.

**Agenda item 4:**

The applicant seek incentives under the Rebuild Rhode Island Tax Credit program in relation to a mixed-use development project consisting of approximately 163 residential units and 9,000 square feet of retail space located at Tax Assessor’s Plat 10, Lots 710 and 711 in Providence, Rhode Island. The total development cost for the project is estimated at approximately $59.1 million and the applicant is seeking $6 million in tax credits. The applicant is Steeple Street RI, LLC an entity affiliated with Vision Properties, a developer of commercial and mixed-use real estate properties in the Mid-Atlantic and New England states, whose principal is Richard Shaffer.

**Agenda item 5:**

The following applicants will be considered for Innovation Vouchers:

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<th>Amount</th>
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<td>Cooley Group</td>
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<td>Kenney Manufacturing Company</td>
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<td>The Compost Plant, L3C</td>
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**Agenda item 6:**

The following applicants will be considered for awards under the Main Street Rhode Island Streetscape Improvement program:

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<th>Applicant</th>
<th>Amount</th>
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<td>East Providence</td>
<td>$ 69,969</td>
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<td>East Providence</td>
<td>$ 75,000 (amendment to existing award)</td>
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<td>New Shoreham</td>
<td>$ 39,935</td>
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<td>North Providence</td>
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<td>Westerly</td>
<td>$233,000</td>
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<td>Woonsocket</td>
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Agenda item 8:

The Board shall consider for promulgation the following proposed regulations:

1. Conduct of Public Hearings.
2. Declaratory Order Petitions.
3. Petition for Promulgation of Rules.
PUBLIC SESSION MEETING MINUTES NOVEMBER 19, 2018

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

November 19, 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 64.20 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 OneMetro, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a commercial project (the “Project”) located at parcel 278-0145, Warwick, which is proposed to consist of approximately 75,000 square feet of commercial space; and

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

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves the issuance of tax credits to the Recipient in an amount not to exceed Three Million Dollars ($3,000,000) and authorizes a sales and use tax exemption in addition to the tax credits of Five Hundred Thousand Dollars.
($500,000) with any sales and use tax exemption exceeding said amount reducing the
tax credits awarded hereunder dollar for dollar.

2. The authorization provided herein is subject to the following conditions:

a. The execution of an Incentive Agreement between the Corporation and the
Recipient meeting the requirements of the Rebuild RI Tax Credit Act and the
Rules in such form as one of the Authorized Officers (hereinafter defined)
shall deem appropriate in the sole discretion of such Officer;

b. Verification by the Corporation of compliance with the Eligibility
Requirements of Rule 6 of the Rules prior to Certification of any award of tax
credits to the Recipient; and

c. Such additional conditions as any of the Authorized Officers, acting singly,
shall deem appropriate in the sole discretion of such Officer.

3. The Board of the Corporation hereby finds and determines that: (i) the approval will
prevent, eliminate, or reduce unemployment or underemployment in the State and
will generally benefit economic development of the State; (ii) that, to the extent
applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been
satisfied; (iii) that the Recipient's Equity in the Project is not less than twenty percent
(20%) of the total Project Cost and otherwise meets the Project Cost criteria of the
Rebuild RI Tax Credit Act; (iv) there is a Project Financing Gap for the Project such
that after taking into account all available private and public funding sources, the
Project is not likely to be accomplished by private enterprise without the incentives
described in the Act and the Rules; (v) the total amount of tax credits awarded for the
Project is the lesser of twenty (20%) of the total Project Cost or the amount needed to
close the Project Financing Gap; (vi) that the Chief Executive Officer of the
Corporation has provided written confirmation required by the Rebuild RI Tax Credit
Act (a copy of which is annexed hereto as Exhibit 1); (vii) the Secretary of
Commerce has provided written confirmation required by the Rebuild RI Tax Credit
Act (a copy of which is annexed hereto as Exhibit 1); (viii) the Office of Management
and Budget has provided written confirmation required under the Rebuild RI Tax
Credit Act (a copy of which is annexed hereto as Exhibit 2); and (ix) the Recipient
has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6
of the Rules.

4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation
shall prepare and publicly release an analysis of the impact that the issuance of the tax
credits will or may have on the State considering the factors set forth in RIGL § 42-
64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).

5. The Authorized Officers of the Corporation for purposes of this Resolution are the
Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief
Financial Officer or the Managing Director, Head of Investments (the "Authorized
Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.

8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
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: November 19, 2018

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

- To consider the application of MetroOne, LLC, for tax credits of $3,000,000 for a commercial project.

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

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).

2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 et seq.

3. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.
The staff of the Rhode Island Commerce Corporation (the "Corporation") has informed the Office of Management and Budget ("OMB") that it intends to recommend to the Corporation's Board of Directors (the "Board") two new projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed $9,000,000.00. That recommendation is as follows:

1. That the application submitted by Steeple Street RI, LLC be approved for tax credits in a maximum amount of $6,000,000.00.
2. That the application submitted by OneMetro, LLC be approved for tax credits in a maximum amount of $3,000,000.00.

As of June 28, 2018, the Corporation had approved tax credits and/or loans under the program in the amount of $102,054,827.92. The approval of an additional $9,000,000.00 in tax credits would bring the cumulative total of approved credits and/or loans to $111,054,827.92. Currently $49.7 million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed $150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits and/or loans that are proposed for approval. As a result, OMB confirms that the additional amount of credits and/or loans proposed above, i.e. $9,000,000.00, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits and/or loans, the aggregate credits and/or loans approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits and/or loans allowed under the program.

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

The memorandum constitutes OMB's written confirmation pursuant to RIGL § 42-64.20-6(a)(4) and pursuant to Rule 12(a)(3) of the Rules and Regulations for the Rebuild Rhode Island Tax Credit Program. Pursuant to RIGL § 42-64.20-5(m), any disbursements to support the redemption of tax credits for 90% of their value are subject to appropriations, and applicants should be notified accordingly.
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**Total** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$19,000,000** | **$190,000,000**
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**Total**

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Rhode Island Commerce Corporation

Rebuild Rhode Island Tax Credits – Economic Impact Analysis

OneMetro, LLC Application

Introduction

The Rhode Island Commerce Corporation (the "Corporation") may provide Rebuild Rhode Island tax credits to OneMetro, LLC (the “Sponsor”). The credits would be provided in connection with the Sponsor’s proposed investment in the development of OneMetro, LLC, a new, 75,000 square-foot office building, to be located in Warwick.

The Sponsor estimates the total cost of the project to be $19.003 million. The Sponsor is requesting Rebuild Rhode Island tax credits totaling $3.0 million, and an exemption from sales and use taxes payable on purchases of construction materials, valued at approximately $500,000.

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

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately $19.0 million.

<table>
<thead>
<tr>
<th>Component</th>
<th>Estimated cost</th>
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<tr>
<td>Property acquisition</td>
<td>$3.0</td>
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<tr>
<td>Construction (hard costs)</td>
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<tr>
<td>Soft costs</td>
<td>2.0</td>
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<tr>
<td>Tenant improvements</td>
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<td><strong>Total</strong></td>
<td><strong>$19.0</strong></td>
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</table>

After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such property acquisition), spending on development of the proposed project is estimated to total approximately $16.0 million.

Appleseed estimates that direct expenditures of $16.0 million will directly and indirectly generate:
• 111 person-years\(^1\) of work in Rhode Island, with $6.7 million in earnings (in 2020 dollars);
• Approximately $20.0 million in statewide economic output\(^2\); and
• A one-time increase of $10.7 million in Rhode Island’s GDP.

These impacts are summarized below in Table 2. The project’s direct impact is the impact of the Sponsor’s direct spending on construction, including both hard and soft costs. Its indirect impact is the effect of spending by contractors for goods and services (insurance, construction materials, etc.) purchased from other Rhode Island businesses.

<table>
<thead>
<tr>
<th>Employment</th>
<th>Earnings</th>
<th>Value added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>85</td>
<td>$5.2</td>
<td>$8.2</td>
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<tr>
<td>Indirect Effect</td>
<td>26</td>
<td>1.5</td>
<td>2.5</td>
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<tr>
<td>Total Effect</td>
<td>111</td>
<td>$6.7</td>
<td>$10.7</td>
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</table>

In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of $16.0 million would generate a projected one-time increase of approximately $394,000 in taxes paid to the State during construction, including:

• $252,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
• $110,000 in state sales taxes paid on those workers’ taxable household spending; and
• $32,000 in state business taxes.

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

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

---

\(^1\) A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

\(^2\) Output is a measure of the total sales by Rhode Island companies (including the “sale” of labor by Rhode Island households) generated by the project.
Table 3: Anticipated wages during construction

<table>
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<tr>
<th>Occupation</th>
<th>RI median hourly wage</th>
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<tr>
<td>Architect</td>
<td>$40.36</td>
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<tr>
<td>Construction manager</td>
<td>$47.10</td>
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<tr>
<td>Carpenter</td>
<td>$22.82</td>
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<tr>
<td>Electrician</td>
<td>$27.42</td>
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<tr>
<td>Plumber</td>
<td>$27.71</td>
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<tr>
<td>Painter</td>
<td>$18.85</td>
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<tr>
<td>Laborer</td>
<td>$19.39</td>
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</tbody>
</table>

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**

OneMetro, LLC, and the tenant businesses assumed to occupy the project’s commercial space, are expected to begin operating in 2021. Based on information provided by the Sponsor, Appleseed assumes that the building’s office tenants will include a mix of technology, medical, financial and professional services firms. Assuming an occupancy rate of 95 percent, and an average density of 4.5 employees per square foot, we estimate that the building will accommodate approximately 312 office-tenant employees, plus 7 café and fitness center employees.

Based on these assumptions, we estimate (as shown in Table 4) that in 2021, ongoing operations would directly and indirectly support:

- 463 full-time-equivalent jobs in Rhode Island, with approximately $40.2 million in annual earnings (in 2020 dollars);
- $74.2 million in annual statewide economic output; and
- An increase of $42.8 million in Rhode Island’s annual GDP.

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

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Earnings</th>
<th>Value-added</th>
<th>Output</th>
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</thead>
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<td>Direct Effect</td>
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<td>$31.5</td>
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<td>463</td>
<td>$40.2</td>
<td>$42.8</td>
<td>$74.2</td>
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</tbody>
</table>

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3 Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2017
In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, ongoing operations would generate a projected gross increase of approximately $2.358 million in taxes paid to the state in 2020, including:

- $1.509 million in state personal income taxes paid by Rhode Island workers employed by tenant businesses, or whose jobs are indirectly attributable to the operations of those businesses;
- $658,000 in state sales taxes paid on those workers’ taxable household spending;
- $191,000 in state business taxes.

Workers employed by tenant businesses at project location would be drawn primarily from communities throughout the Providence-Warwick RI-MA NECTA.

**Impact**

The state fiscal impact of the requested tax credits and sales tax exemption is approximately $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 2021) of approximately $42.8 million; the associated job creation; and a gross increase of approximately $28.7 million in personal income, sales and business tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years from 2021 through 2032.

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

- By increasing the supply of new office space available to support the continued growth of the state’s office-based industries
- By supporting the continued growth of the area around T.F. Green Airport as a business location
- By increasing local real property and personal property taxes

While the project is likely in the near term to be occupied in part by tenants relocating or expanding from elsewhere in Rhode Island, it will over time help the State meet a continuing demand for new space that is suited to the needs of its growing office-based industries. Over the life of the requested tax credits, the project can therefore be seen as accommodating growth that might not otherwise occur in Rhode Island.

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

November 19, 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 64.20 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 Steeple Street RI, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a mixed-use project (the “Project”) located at Tax Assessor’s Plat 10, Lots 710 and 711 in Providence, which are proposed to consist of approximately one hundred sixty-three residential units and approximately 9,000 square feet of retail space; and

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

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

Now, therefore, acting by and through its Board, the Corporation hereby resolves as follows:

Resolved:

9. To accomplish the purposes of the Act and the Rebuild RI Tax Credit Act, the Corporation approves the issuance of tax credits to the Recipient in an amount not to exceed Six Million Dollars ($6,000,000) and authorizes a sales and use tax exemption
in addition to the tax credits of One Million Two Hundred Ninety-Five Thousand Dollars ($1,295,000) with any sales and use tax exemption exceeding said amount reducing the tax credits awarded hereunder dollar for dollar.

10. The authorization provided herein is subject to the following conditions:

a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to Certification of any award of tax credits to the Recipient; and

c. Such additional conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.

11. 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(1)(i)(ii) through (v) have been satisfied; (iii) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (iv) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (v) the total amount of tax credits awarded for the Project is the lesser of twenty (20%) of the total Project Cost or the amount needed to close the Project Financing Gap; (vi) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (vii) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (viii) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (ix) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules.

12. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).

13. 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.

14. 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.

15. 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.

16. 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.
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: November 19, 2018

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

- To consider the application of Steeple Street RI, LLC, for tax credits of $6,000,000 for a Mixed-Use project.

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

4. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).

5. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 et seq.

6. The total credits to be awarded to the applicant shall not be in excess of the amount listed above.
The staff of the Rhode Island Commerce Corporation (the “Corporation”) has informed the Office of Management and Budget (“OMB”) that it intends to recommend to the Corporation’s Board of Directors (the “Board”) two new projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an amount not to exceed $9,000,000.00. That recommendation is as follows:

1. That the application submitted by Steeple Street RI, LLC be approved for tax credits in a maximum amount of $6,000,000.00.

2. That the application submitted by OneMetro, LLC be approved for tax credits in a maximum amount of $3,000,000.00.

As of June 28, 2018, the Corporation had approved tax credits and/or loans under the program in the amount of $102,054,827.92. The approval of an additional $9,000,000.00 in tax credits would bring the cumulative total of approved credits and/or loans to $111,054,827.92. Currently $49.7 million dollars have been appropriated into the Rebuild Rhode Island Tax Credit Fund. Additional funding is expected in future legislative sessions and section 42-64.20-5(f) of the Rhode Island General Laws authorized aggregate tax credits and/or loans under the Rebuild Rhode Island Tax Credit program in an amount not to exceed $150 million. Accordingly, the existing and anticipated revenue capacity for the Rebuild Rhode Island Tax Credit program exceeds the total amount of credits and/or loans that are proposed for approval. As a result, OMB confirms that the additional amount of credits and/or loans proposed above, i.e. $9,000,000.00, does not exceed the existing and anticipated revenue capacity of the state for the Rebuild Rhode Island Tax Credit program. In addition, OMB confirms that, with the approval of the proposed credits and/or loans, the aggregate credits and/or loans approved by the Corporation under the Rebuild Rhode Island program will not exceed the maximum aggregate credits and/or loans allowed under the program.

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

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

Rebuild Rhode Island Tax Credits – Economic Impact Analysis

Steeple Street RI LLC Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may provide Rebuild Rhode Island tax credits to Steeple Street RI LLC (the “Sponsor”). The credits would be provided in connection with the Sponsor’s proposed investment in the development of Phase II of Edge College Hill. Phase I, completed in 2018, is a fifteen-story building housing students and young workers. Phase II would be an eleven-story building with approximately 163 residential units and approximately 9,000 square feet of retail space, serving a similar population, to be constructed in Providence.

The Sponsor estimates the total cost of the project to be $59.2 million. The Sponsor is requesting Rebuild Rhode Island tax credits totaling $6.0 million gross (approximately $5.4 million net), and an exemption from sales and use taxes on construction with an estimated value of $1.295 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 $59.2 million.

<table>
<thead>
<tr>
<th>Component</th>
<th>Estimated cost</th>
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<tr>
<td>Property acquisition</td>
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<tr>
<td>Construction (hard costs)</td>
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<tr>
<td>Soft costs</td>
<td>9.5</td>
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<td>Fixtures, furniture and equipment</td>
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<td>Total</td>
<td>$59.2</td>
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After excluding certain expenditures that do not have a direct, current impact on Rhode Island’s economy (such property acquisition and interest paid during construction), spending on development of the proposed project is estimated to total approximately $52.3 million.
Appleseed estimates that direct expenditures of $52.3 million will directly and indirectly generate:

- 414 person-years\(^4\) of work in Rhode Island, with $23.8 million in earnings (in 2019 dollars);
- Approximately $71.5 million in statewide economic output\(^5\); and
- A one-time increase of $35.3 million in Rhode Island’s GDP.

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

**Table 2: Direct, indirect and induced impact of construction and related spending**

(employment in person-years; income, value-added and output in millions of 2019 dollars)

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Earnings</th>
<th>Value added</th>
<th>Output</th>
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<td>Direct Effect</td>
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<td>$16.2</td>
<td>$22.7</td>
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<td>Total Effect</td>
<td>414</td>
<td>$23.8</td>
<td>$35.3</td>
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In addition to the impacts on employment, earnings, output and state GDP cited in Table 2, direct spending of $52.3 million would generate a projected one-time increase of approximately $1.34 million in taxes paid to the State during construction, including:

- $857,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project;
- $374,000 in state sales taxes paid on those workers’ taxable household spending; and
- $109,000 in state business taxes.

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

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

---

\(^4\) A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months, or the work of one person who is employed half-time for two years.

\(^5\) Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.
Table 3: Anticipated wages during construction

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<tr>
<th>Occupation</th>
<th>RI median hourly wage</th>
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<td>Architect</td>
<td>$40.36</td>
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<tr>
<td>Construction manager</td>
<td>$47.10</td>
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<tr>
<td>Carpenter</td>
<td>$22.82</td>
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<td>Electrician</td>
<td>$27.42</td>
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<td>Plumber</td>
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<td>Painter</td>
<td>$18.85</td>
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<tr>
<td>Laborer</td>
<td>$19.39</td>
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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

Edge College Hill Phase II, and the retail businesses assumed to occupy the project's commercial space, are expected to begin operating in 2020. Using IMPLAN, and based on information provided by the Sponsor, Appleseed estimates (as shown in Table 4) that in 2020, ongoing operations would directly and indirectly support:

- 42 full-time-equivalent jobs in Rhode Island, with approximately $1.6 million in annual earnings (in 2020 dollars);
- $3.5 million in annual statewide economic output; and
- An increase of $2.2 million in Rhode Island's annual GDP.

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

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</table>

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 $91,000 in taxes paid to the state in 2020, including:

---

6 Rhode Island Department of Labor and Training, Occupational Employment Statistics, 2017
- $59,000 in state personal income taxes paid by Rhode Island workers employed by Edge commercial tenants, or whose jobs are indirectly attributable to the operations of those businesses;
- $25,000 in state sales taxes paid on those workers’ taxable household spending;
- $7,000 in state business taxes.

Workers employed by Edge II and by commercial tenants would be drawn primarily from communities in the Providence area.

Impact

The state fiscal impact of the requested tax credits and sales tax exemption is approximately $6.695 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 2020) of approximately $2.2 million; the associated job creation; and a gross increase of approximately $2.432 million in personal income, sales and business tax revenues directly and indirectly generated by the project during the construction phase, and by ongoing operations during the twelve years from 2020 through 2031.

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

- By increasing the supply of off-campus housing available to accommodate a growing student population
- By enhancing the competitiveness of the city’s universities
- By increasing real 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 tax credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the fact that state’s participation would be capped at the amount set forth above.
Innovation Vouchers

107 Applications Received to Date

62 Projects Supported

12 Manufacturers

11 Knowledge Partners

$149,042 Funding

Projects recommended for funding leverage R&D core competencies at our institutional assets and demonstrate significant potential for commercialization.

Total Funds FY16-18

$3,000,000

Funding to date

$2,937,603

*Represents overall portfolio with recommendations
Innovation Vouchers

The Compost Plant, L3C
Established: 2013
Employees: 6
Location: Providence
Budget: $49,042
Use of Funds: To work with URI’s College of Environmental Life Sciences to field-test growing media compost blends providing a third-party validation of the quality against key industry competitors.

Kenney Manufacturing Company
Established: 1914
Employees: 250
Location: Warwick
Budget: $50,000
Use of Funds: Kenney is a leading manufacturer of drapery hardware and shower bars. They will use the Innovation Voucher to develop new, cost efficient processes to manufacture chrome and brushed look hardware for which there is increasing consumer demand.

Cooley Group
Established: 1926
Employees: 100
Location: Pawtucket
Budget: $50,000
Use of Funds: To continue a collaboration with URI focused on transforming existing billboards into Smart Billboards that can communicate with users and track consumer behaviors for advertisers.
RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INNOVATION VOUCHERS
UNDER THE INNOVATION INITIATIVE ACT

November 19, 2018

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

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

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

WHEREAS: The Corporation received applications from 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

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<th>Applicant</th>
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<td>Kenney Manufacturing Company</td>
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<tr>
<td>The Compost Plant, L3C</td>
<td>$49,042</td>
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RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF
GRANTS UNDER THE MAIN STREET RHODE ISLAND
STREETSCAPE IMPROVEMENT FUND ACT

November 19, 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 64.27 of Title 44 of the General Laws of Rhode Island (the “Streetscape
Improvement Act”), as amended, authorizes the Corporation to issue awards
(“Awards”) as set forth in the Rules (defined below); and

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

WHEREAS: The Corporation received applications from the applicants identified on Exhibit 1
(the “Recipients”) for Awards; and

WHEREAS: The Board of Directors of the Corporation (the “Board”) received a presentation
detailing the Awards proposed to be granted to the Applicants together with a
recommendation from the staff of the Corporation to approve the Awards to the
Recipients in accordance with the Streetscape Improvement 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 Streetscape Improvement Act, the
Corporation approves the Awards to the Recipients in the amounts identified in
Exhibit 1 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 an Agreement between the Corporation and each Recipient
meeting the requirements of the Streetscape Improvement Act and the Rules in
such form as one of the Authorized Officers (hereinafter defined) shall deem
appropriate in the sole discretion of such Officer;
b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of an Award; 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 or the Chief Financial Officer (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.
EXHIBIT 1

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<tr>
<th>Recipient</th>
<th>Amount</th>
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<td>Barrington</td>
<td>$ 58,450</td>
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<tr>
<td>East Providence</td>
<td>$ 69,969</td>
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<tr>
<td>East Providence</td>
<td>$ 75,000 (amendment to existing award)</td>
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<td>New Shoreham</td>
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<td>Westerly</td>
<td>$ 233,000</td>
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<tr>
<td>Woonsocket</td>
<td>$ 80,000</td>
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</table>
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION

November 19, 2018

WHEREAS, the Board of Directors of the Rhode Island Commerce Corporation ("the Corporation") received a presentation from the Corporation’s staff regarding promulgating regulations required under the Administrative Procedures Act ("APA"); and

WHEREAS, the proposed regulations are consistent with the mandates of the APA.

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

DECEMBER 17, 2018

APPROVED

VOTED: To approve an amendment to the award to the City of Newport under the Rebuild Rhode Island Tax Credit program pursuant to the resolution submitted to the Board.
RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF INCENTIVES
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT
December 17, 2017

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

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

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

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

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

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

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

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

RESOLVED:

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

2. The authorization provided herein is subject to the following conditions:
a. The execution of an Incentive Agreement between the Corporation and the Recipient meeting the requirements of the Rebuild RI Tax Credit Act, and the Rules in such form as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Officer;

b. Verification by the Corporation of compliance with the Eligibility Requirements of Rule 6 of the Rules prior to issuance of Certification of any award of tax credits to the Recipient; and

c. Such additional terms and conditions as any of the Authorized Officers, acting singly, shall deem appropriate in the sole discretion of such Officer.

3. The Board of the Corporation hereby finds and determines that: (i) the approval will prevent, eliminate, or reduce unemployment or underemployment in the State and will generally benefit economic development of the State; (ii) that, to the extent applicable, the provisions of RIGL § 42-64-10(a)(1)(ii) through (v) have been satisfied; (iii) that the Recipient's Equity in the Project is not less than twenty percent (20%) of the total Project Cost and otherwise meets the Project Cost criteria of the Rebuild RI Tax Credit Act; (iv) there is a Project Financing Gap for the Project such that after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise without the incentives described in the Act and the Rules; (v) the total amount of Tax Credits awarded for the Project is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; (vi) the Project includes Adaptive Reuse and is a Recognized Historic Structure in accordance with Rule 7(b)(1) and tax credits in the amount of Nine Hundred Fifty-Nine Thousand Three Hundred Seventy-Five Dollars ($959,375) are allocable to this criteria; (vii) that the Chief Executive Officer of the Corporation has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (viii) the Secretary of Commerce has provided written confirmation required by the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 1); (ix) the Office of Management and Budget has provided written confirmation required under the Rebuild RI Tax Credit Act (a copy of which is annexed hereto as Exhibit 2); and (x) the Recipient has demonstrated that it will otherwise satisfy the Eligibility Requirements of Rule 6 of the Rules for a Commercial Project.

4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).

5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is
hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

6. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

7. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.

8. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.

9. This Resolution shall take effect immediately upon passage.
From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation  
Jesse Saglio, President and Chief Operating Officer of the Rhode Island Commerce Corporation  
To: Board of Directors, Rhode Island Commerce Corporation  
Re: Rebuild Rhode Island Tax Credit Application  
Date: December 17, 2018  

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

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

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

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).

2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 et seq.
The staff of the Rhode Island Commerce Corporation (the “Corporation”) has informed the Office of Management and Budget (“OMB”) that it intends to recommend to the Corporation’s Board of Directors (the “Board”) one amended projects for the receipt of tax credits under the Rebuild Rhode Island Tax Credit in an additional amount not to exceed $250,000.00. That recommendation is as follows:

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

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

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

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

Rebuild Rhode Island Tax Credits – Economic Impact Analysis

Economic Development Foundation of Rhode Island Application

Introduction

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

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

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

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

Jobs Analysis

Construction

As shown in Table 1, the Sponsor’s estimate of total project cost is approximately $8.3 million.

<table>
<thead>
<tr>
<th>Component</th>
<th>Estimated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land and building acquisition</td>
<td>$0.8</td>
</tr>
<tr>
<td>Construction (hard costs)</td>
<td>6.6</td>
</tr>
<tr>
<td>Soft costs</td>
<td>0.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8.3</strong></td>
</tr>
</tbody>
</table>

After excluding the cost of property acquisition (an expenditure that does not have a direct, current impact on Rhode Island’s economy), spending on construction (both hard and soft
costs) is estimated to total approximately $7.5 million. Appleseed estimates that direct expenditures of approximately $7.5 million will directly and indirectly generate:

- 53 person-years\(^1\) of work in Rhode Island, with $3.2 million in earnings;
- Approximately $9.2 million in statewide economic output\(^2\); and
- A one-time increase of $5.3 million in Rhode Island’s GDP.

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

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Earnings</th>
<th>Value added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>40</td>
<td>$2.5</td>
<td>$3.7</td>
<td>$7.3</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>13</td>
<td>$0.7</td>
<td>$1.6</td>
<td>$1.9</td>
</tr>
<tr>
<td><strong>Total Effect</strong></td>
<td><strong>53</strong></td>
<td><strong>$3.2</strong></td>
<td><strong>$5.3</strong></td>
<td><strong>$9.2</strong></td>
</tr>
</tbody>
</table>

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

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

Most of the activity reflected in Table 2 will occur during 2019 and 2020. The anticipated wage rates for construction jobs are shown below in Table 3. Because the project would be financed in part with funding from the U.S. Economic Development Administration, the project would be subject to the Davis-Bacon Act. Anticipated wage rates are Davis-Bacon prevailing wages for these occupations in Rhode Island.

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\(^1\) A person-year is equivalent to the time worked by one person who is employed full-time for a year. It could for example represent the work of two people who are each employed full-time for six months; or the work of one person who is employed half-time for two years.

\(^2\) Output is a measure of the total sales by Rhode Island companies (including the "sale" of labor by Rhode Island households) generated by the project.
Table 3: Anticipated wages during construction

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Davis-Bacon hourly wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carpenter</td>
<td>$35.28</td>
</tr>
<tr>
<td>Electrician</td>
<td>$39.31</td>
</tr>
<tr>
<td>Plumber</td>
<td>$42.04</td>
</tr>
<tr>
<td>Painter</td>
<td>$33.62</td>
</tr>
</tbody>
</table>

Fringe benefits associated with these jobs are expected to be in accordance with Davis-Bacon requirements. Workers who fill these jobs are expected to be drawn primarily from the Providence-Warwick RI-MA New England City and Town Area (NECTA).

Annual operations

The Sponsor estimates that through a combination of co-working space and offices the proposed facility will provide work space for 130 people. Based on information provided by the Sponsor, we assume that co-working members and office tenants will represent a mix of scientific research and development, computer systems design, customized computer programming, and environmental and technical consulting services. Based on information provided by the sponsor, we further estimate that 2 workers will be employed in management, operations and maintenance of the facility.

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

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

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

<table>
<thead>
<tr>
<th></th>
<th>Employment</th>
<th>Earnings</th>
<th>Value added</th>
<th>Output</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td>132</td>
<td>$9.7</td>
<td>$10.5</td>
<td>$18.7</td>
</tr>
<tr>
<td>Indirect Effect</td>
<td>54</td>
<td>$3.1</td>
<td>5.0</td>
<td>8.1</td>
</tr>
<tr>
<td>Total Effect</td>
<td>186</td>
<td>$12.8</td>
<td>$15.5</td>
<td>$26.8</td>
</tr>
</tbody>
</table>

In addition to the impacts on employment, earnings, output and state GDP cited in Table 4, the ongoing operations of Innovate Newport would generate a projected gross increase of nearly
$691,000 in taxes paid annually to the state (in addition to the $189,000 in state tax revenues cited above that would be generated by spending on construction), including:

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

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

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

Impact

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

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

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

Beyond the fiscal impact noted above, there is no anticipated financial exposure to the state. In various features of the program mitigate risk to the state. In particular, the completion risk (i.e., the risk that the project is not completed) is mitigated by the fact that the credits will be issued only upon completion of the development. The risk of project cost overruns is mitigated by the
fact that the credit is capped at the amount set forth above. In addition, if project costs come in lower than anticipated, the credit will be reduced accordingly.
VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

DECEMBER 17, 2018

APPROVED

VOTED: To approve a Network Matching Grant to MassChallenge 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

December 17, 2018

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

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

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

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

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

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

RESOLVED:

1. To accomplish the purposes of the Act and the Innovation Act, the Corporation approves
   the award of the Grant to the Recipient in the amount of One Hundred Fifty Thousand
   Dollars ($150,000) and determines that the awards are granted in compliance with the
   Grant Application Review and Evaluation Principles adopted by the Corporation.

2. The authorization provided herein is subject to the following conditions:
   a. The execution of a Grant Agreement between the Corporation and the Recipient
      meeting the requirements of the Innovation Act and the Rules in such form as one
      of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole
      discretion of such Officer;
b. Verification by the Corporation of compliance with the Eligibility Requirements of the Rules prior to issuance of the Grant; and

c. Such additional conditions as any of the Authorized Officers (defined below), acting singly, shall deem appropriate in the sole discretion of such Officer.

3. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Innovation Director (the “Authorized Officers”). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers of the Corporation shall have no obligation to take any action with respect to the authorization granted hereunder and the Corporation shall in no way be obligated in any manner to the Recipient by virtue of having adopted this Resolution. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same.

4. All covenants, stipulations, and obligations and agreements of the Corporation contained in this Resolution and the documents authorized herein shall be deemed to be covenants, stipulations, obligations and agreements of the Corporation to the full extent authorized and permitted by law and such covenants, stipulations, obligations and agreements shall be binding upon any board or party to which any powers and duties affecting such covenants, stipulations, obligations and agreements shall be transferred by and in accordance with the law. Except as otherwise provided in this Resolution, all rights, powers and privileges conferred and duties and liabilities imposed upon the Corporation or the members thereof, by the provisions of this Resolution and the documents authorized herein shall be exercised and performed by the Corporation, or by such members, officers, board or body as may be required by law to exercise such powers and perform such duties.

5. From and after the execution and delivery of the documents hereinabove authorized, any one of the Authorized Officers, acting singly, are hereby authorized, empowered and directed to do any and all such acts and things and to execute and deliver any and all such documents, including, but not limited to, any and all amendments to the documents, certificates, instruments and agreements hereinabove authorized, as may be necessary or convenient in connection with the transaction authorized herein.

6. All acts of the Authorized Officers which are in conformity with the purposes and intents of this Resolution and the execution, delivery and approval and performance of such documents authorized hereby and all prior actions taken in connection herewith are, ratified, approved and confirmed.
TAB 4
VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

DECEMBER 17, 2018

APPROVED

VOTED: To approve the selection of a vendor to perform advisory services pursuant to the resolution submitted to the Board.
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION

December 17, 2018

(With Respect to Advisory Service relating to Opportunity Zones)

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

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

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

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

Section 2: This Resolution shall take effect immediately upon passage.
VOTE OF THE BOARD OF DIRECTORS
OF THE RHODE ISLAND COMMERCE CORPORATION

DECEMBER 17, 2018

APPROVED

VOTED: To consent to a solar project on a portion of the property leased to Fidelity pursuant to the resolution submitted to the Board.
RESOLUTION OF THE BOARD OF DIRECTORS OF
THE RHODE ISLAND COMMERCE CORPORATION

December 17, 2018

(With Respect to Consent to a Solar Project)

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

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

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

WHEREAS, the Application requires the consent of the Corporation.

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

Section 1: That the Corporation consents to FMR's submission of the Application
and FMR's construction of a solar project on the Property, subject to compliance with applicable
law. Any of the Chairperson, Vice Chairperson, Secretary of Commerce, President and COO
and/or Chief Financial Officer (the "Authorized Officers"), acting singly, shall have the authority
to take such actions as may be deemed appropriate by one of the Authorized Officers to carry out
the intent of this Resolution.

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