

RHODE ISLAND COMMERCE CORPORATION

AGENDA

March 28, 2022

Call to order and opening remarks.

- Tab 1: To consider for approval meeting minutes.
- Tab 2: To consider an increase in funding to the technical assistance component of the RI Rebounds Initiative.
- Tab 3: To consider Studley Building Enterprise, LLC & DMP Studley, LLC, for an award under the Rebuild Rhode Island Tax Credit Program.*
- Tab 4: To consider Flux Marine Ltd, for an award under the Qualified Jobs Incentive Tax Credit Program.*
- Tab 5: To consider approval of applicants under the Site Readiness Program.*
- Tab 6: To consider the retention of Inkhouse, LLC for business attraction advertising and public relations services and Duffy & Shanley for public relations services for marketing and business development.
- Tab 7: To consider the utilization of the Corporation's incentive programs for the investment of public funds.*

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

TAB 1

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

MARCH 28, 2022

APPROVED

VOTED: To approve the public session meeting minutes for the March 4, 2022 meeting as presented to the Board.

RHODE ISLAND COMMERCE CORPORATION
MEETING OF DIRECTORS
PUBLIC SESSION
March 4, 2022

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on March 4, 2022, in Public Session, beginning at 4:00 p.m., pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Daniel J. McKee, David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, George Nee, Donna Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: Bernard Buonanno, III, Michael McNally, and Bill Stone.

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

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

The Governor called the meeting to order at 4:06 p.m., indicating that a quorum was present.

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

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

VOTED: To approve the public session meeting minutes for the January 24, 2022 meeting as presented to the Board.

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

Voting against the foregoing were: none.

3. **TO CONSIDER THE DELEGATION OF AUTHORITY TO STAFF TO ENTER INTO SUBAWARDS AND/OR RETAIN VENDORS FOR THE RI REBOUNDS INITIATIVE.**

Daniela Fairchild, the Corporation’s Director of Operations and Special Projects, stated that the Board had previously approved the RI Rebounds Initiative, which included the Take it Outside (“TIO”) and Placemaking programs. She explained that the Corporation’s staff is requesting that it be delegated authority to make awards to vendors and proposers under those programs. She stated that a request for proposals (“RFP”) for the TIO program is currently posted,

and an RFP for the Placemaking program will be posted very soon. She noted that the selection of the vendors and proposers will be completed by an internal review process. In response to a question by Ms. Toledo-Vickers, Ms. Fairchild stated that funding for the TIO and Placemaking programs was set forth in an amendment to the FY2022 budget. She further responded that the Corporation conducted a survey of businesses last June and there is a continued need for funding under the programs. She noted a large response to the TIO RFP.

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

VOTED: To approve the delegation of authority to staff to enter into subawards and/or retain vendors for the RI Rebounds Initiative pursuant to the resolution submitted to the Board.

Voting in favor of the foregoing were: David Chenevert, Dr. Brenda Dann-Messier, Mary Jo Kaplan, 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 THE RETENTION OF MEDIA BUYING, TOURISM ADVERTISING, AND PUBLIC RELATIONS VENDORS.**

Anika Kimble-Huntly, the Corporation’s Chief Marketing Officer, explained that during the COVID-19 pandemic, the Corporation continued to market the State with a “take to the open road” campaign. That campaign, she noted, shifted marketing from flying tourism to driving tourism to encourage day/night trips to the State. She stated that during the pandemic, the Corporation remained flexible with its marketing vendors through the extension of contracts until the staff understood the impact of the pandemic on its marketing efforts prior to beginning a new RFP process for a tourism marketing agency.

Ms. Kimble-Huntly stated that in November of 2021, the Corporation posted an RFP for public relations. Responses to that RFP were reviewed, and after that review there was a unanimous decision to engage The RDW Group (“RDW”) and the Zimmerman Agency for the services. She noted that RDW was chosen because of its expertise, its resources, its membership in the Omnicom collective (which allows for discounted rates), and its alignment with the Corporation’s creative solutions and data technology approach.

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

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

VOTED: To approve the retention of media buying, tourism advertising, and public relations vendors pursuant to the resolution submitted to the Board.

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

Voting against the foregoing were: none.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 4:42 p.m. upon motion made by Mr. Nee and seconded by Mr. Wadensten.

MARCH 4, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT A

RHODE ISLAND COMMERCE CORPORATION
PUBLIC NOTICE OF MEETING

A meeting of the Board of Directors of the Rhode Island Commerce Corporation (“Corporation”) will be held on **March 4, 2022** beginning at **4:00 p.m.** via Zoom. Public access to the meeting is available as provided below:

Public access link: <https://us06web.zoom.us/j/82059631196>

Webinar ID: 820 5963 1196

Telephone access: +13126266799,,82059631196# or +16468769923,,82059631196#

If technical assistance is needed, contact the Corporation at 401-278-9100.

The meeting will be held for the following purposes:

1. To consider for approval meeting minutes.
2. To consider the delegation of authority to staff to enter into subawards and/or retain vendors for the RI Rebounds Initiative.
3. To consider the retention of media buying, tourism advertising, and public relations vendors.
4. To consider the utilization of the Corporation’s incentive programs for the investment of public funds.*

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

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

Savage Law Partners, LLP,
Counsel to the Corporation

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

Dated: March 2, 2022.

MARCH 4, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT B

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

March 4, 2022

**(With Respect to Delegation of Authority for Selection of Subawards and Vendors for the
RI Rebounds Initiative)**

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) previously approved the implementation of the RI Rebounds Initiative, including the Placemaking and the Take it Outside programs (“Programs”);

WHEREAS, the Board has received a presentation from staff, requesting that the Board delegate authority to the staff to enter into subawards and/or retain vendors (“Subawardees/Vendors”) for the Programs.

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 Chief Marketing Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of or awards to Subawardees/Vendors for the Programs consistent with the Board’s prior approval of the establishment and implementation of the RI Rebounds Initiative.

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

MARCH 4, 2022 PUBLIC SESSION MEETING MINUTES

EXHIBIT C

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

March 4, 2022

(With Respect to Media Buying, Tourism Advertising, and Public Relations)

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) received a presentation and recommendation from staff for the selection of vendors to perform media buying, tourism advertising, and public relations 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, Chief Financial Officer and/or Chief Marketing Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the each of the following vendors for the services as presented to the Board of the Corporation for a term of one year. Below are the maximum annual expenditures approved for the identified vendors:

Firm	Annual Maximum
Zimmerman Agency	\$1,185,000
The RDW Group, Inc.	\$2,250,000

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

TAB 2

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

MARCH 28, 2022

APPROVED

VOTED: To approve an increase in funding to the technical assistance component of the RI Rebounds Initiative pursuant to the resolution submitted to the Board.

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

March 28, 2022

**(With Respect to an Increase in Funding for the Technical Assistance Component of the RI
Rebounds Initiative)**

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) previously approved the implementation of the RI Rebounds Initiative (“Initiative”), including funding for the technical assistance component (“Program”) of the Initiative in the amount of \$1.5 million; and

WHEREAS, the Board has received a presentation from staff, requesting that the Board approve increased funding for the Program in the amount of \$9 million.

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 Chief Marketing Officer, acting singly, shall have the authority to increase funding of the Program by an amount up to \$9 million, consistent with the Board’s prior approval of the establishment and implementation of the RI Rebounds Initiative.

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

TAB 3

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

MARCH 28, 2022

APPROVED

VOTED: To approve Studley Building Enterprise, LLC & DMP Studley, LLC, for an award under the Rebuild Rhode Island Tax Credit Program pursuant to the resolution submitted to the Board.

RHODE ISLAND COMMERCE CORPORATION
RESOLUTION AUTHORIZING THE ISSUANCE OF TAX CREDITS
UNDER THE REBUILD RHODE ISLAND TAX CREDIT ACT
March 28, 2022

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

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

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

WHEREAS: The Corporation received an application for tax credits from Studley Building Enterprise, LLC & DMP Studley, LLC (the “Recipient”) under the Rebuild RI Tax Credit Act in relation to a project (the “Project”) located at 86 Weybosset Street, Providence, RI;

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 \$100,000 and authorizes a sales and use tax exemption, provided, however, if such exemption exceeds \$300,000 the tax credits shall be reduced dollar for dollar. The total of tax credits and sale and use tax exemption shall be capped at \$400,000.

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 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 the Rules for a Mixed-Use Project.
4. Prior to the execution of an Incentive Agreement with the Recipient, the Corporation shall prepare and publicly release an analysis of the impact that the issuance of the tax credits will or may have on the State considering the factors set forth in RIGL § 42-64-10(a)(2) (a copy of which is annexed hereto as Exhibit 3).
5. The Authorized Officers of the Corporation for purposes of this Resolution are the Chair, the Vice Chair, the Secretary of Commerce, the President & COO, the Chief Financial Officer or the Managing Director, Head of Investments (the "Authorized Officers"). Any one of the Authorized Officers of the Corporation, acting singly, is hereby authorized to execute, acknowledge and deliver and/or cause to be executed, acknowledged or delivered any documents necessary or appropriate to consummate

the transactions authorized herein with such changes, insertions, additions, alterations and omissions as may be approved by any such Authorized Officers, and execution thereof by any of the Authorized Officers shall be conclusive as to the authority of such Authorized Officers to act on behalf of the Corporation. The Authorized Officers 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. Any of the Authorized Officers, acting singly, may rescind this conditional award by written notice to the Recipient at any time prior to the execution of an Incentive Agreement by the Corporation. The Secretary or the Assistant Secretary of the Corporation, and each, acting singly, is hereby authorized to affix a seal of the Corporation on any of the documents authorized herein and to attest to the same. Stacy Farrell is appointed as Assistant Secretary for all purposes hereunder

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 upon adoption by the Board.

EXHIBIT 1

From: Stefan Pryor, Secretary of Commerce and Chief Executive Officer of the Rhode Island Commerce Corporation
Hilary Fagan, 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: March 28, 2022

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 Studley Building Enterprise, LLC & DMP Studley, LLC for tax credits of \$100,000.

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

1. The Corporation staff has reviewed the application submitted and the impact analysis for this project (the impact analysis is provided to the Board as an exhibit to the approving resolution for the project).
2. The project is consistent with the purpose of the Rebuild Rhode Island Tax Credit Act, R.I. Gen. Laws § 42-64.20-1 *et seq.*

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

EXHIBIT 2

EXHIBIT 3

Rhode Island Commerce Corporation

Streamlined Rebuild Rhode Island Tax Credits

Economic and tax revenue impacts of redeveloping the Studley Building, Providence

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may provide \$100,000 in Rebuild Rhode Island tax credits to Studley Building Enterprises LLC and DMP Studley LLC (the “Sponsor”), in connection with redevelopment of the Studley Building – a landmark 45,000 square-foot commercial office building located at 86 Weybosset Street in Providence – and its conversion to primarily residential use. The redeveloped building would include 65 one-bedroom, studio and mini-loft units (including 14 units with rents set at workforce housing levels), and 4,646 square feet of ground-floor retail space.

The Sponsor has also requested an exemption from approximately \$451,150 in State sales and use taxes on purchases of materials, equipment and furnishings used in the redevelopment

This analysis was prepared by Appleseed, a consulting firm with more than 25 years’ experience in economic impact analysis.

Jobs Analysis

Construction jobs

The Sponsor estimates that redevelopment of the Studley Building will cost a total of \$18.81 million¹. After excluding certain costs that would not have a direct impact on Rhode Island’s economy during this period (such as the cost of property acquisition and interest paid during construction), Appleseed estimates that direct expenditures of \$14.28 million will directly and indirectly support:

- 136 job-years² of work in Rhode Island, with \$9.06 million in earnings (in 2022 dollars);
- Approximately \$17.13 million in statewide economic output; and
- A one-time increase of \$12.08 million in Rhode Island’s GDP.

These impacts are summarized below in Table 1.

¹ \$18.313 million if the property basis is adjusted to \$2.75 million per the most recent appraisal.

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

Table 1: Direct and indirect impact of construction and related spending (employment in person-years; income, value-added and output in thousands of 2022 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	119	\$80,80.1	\$10,474.6	\$14,275.8
Indirect Effect	17	980.5	.1.603.2	2,852.5
Total Effect	136	\$9,060.6	\$12,077.8	\$17,128.3

The activity reflected in Table 1 will occur primarily during 2022 and 2023.

In addition to the impacts on employment, earnings, output and state GDP cited in Table 1, direct spending of \$14.28 million would generate a projected one-time increase of approximately \$313,00 in taxes paid to the State during construction, including:

- \$175,000 in state personal income taxes paid by Rhode Island workers employed on the project, or whose jobs are indirectly attributable to the project
- \$116,000 in state sales taxes paid by these workers on taxable household spending
- \$22,000 in state business taxes

Annual operations

Based on information provided by the Sponsor, Appleseed estimates that after construction is completed, ongoing operations at the Studley Building – including building operations and maintenance, and the operations of commercial tenants – will directly and indirectly support:

- 24 jobs in Rhode Island, with \$792,500 in earnings (in 2023 dollars)
- Nearly \$2.13 million in statewide economic output; and
- An increase of \$1.22 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 2.

Table 2: Direct, indirect and total annual impact of ongoing operations in 2023 (income, value-added and output in thousands of 2023 dollars)

	Employment	Earnings	Value added	Output
Direct Effect	21 ³	\$605.8	\$901.1	\$1,541.5
Indirect Effect	3	186.7	315.4	585.4
Total Effect	24	\$792.5	\$1,216.5	\$2,126.9

³ Includes 20 workers employed by ground-floor restaurant and retail workers, and 1 employed in building operation and maintenance.

In addition to the impacts on employment, earnings, output and state GDP cited above, building operations and maintenance and the operations of tenant businesses would in 2023 generate a projected increase of approximately \$67,200 in annual state tax revenues (in 2023 dollars), including:

- \$44,000 in state sales taxes on restaurant and retail sales⁴
- \$11,400 in state personal income taxes paid by workers newly employed at the Studley Building, or by Rhode Island workers whose jobs are indirectly attributable to the Company's new Rhode Island facility
- \$10,400 in state sales taxes paid on those workers' taxable household spending; and
- \$1,400 in state business taxes.

During construction and the twelve years following completion of the project, redevelopment and ongoing operations at the Studley Building are thus expected to generate approximately \$1.119 million in state tax revenues.

In addition to the impacts summarized above, redevelopment of the Studley Building will benefit Rhode Island by:

- Providing additional housing opportunities (including workforce housing) for both current and prospective Rhode Island residents
- Preserving and productively reusing an historic, nearly 120-year-old building
- Increasing local government tax revenues

⁴ Assumes that 50 percent of restaurant and retail sales at the Studley Building represent "net new" sale in Rhode Island.

TAB 4

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

MARCH 28, 2022

APPROVED

VOTED: To approve Flux Marine Ltd, for an award under the Qualified Jobs Incentive Tax Credit Program pursuant to the resolution submitted to the Board.

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

March 28, 2022

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

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

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

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

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

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

RESOLVED:

1. To accomplish the purposes of the Enabling Act and the Act, the Corporation approves the issuance of tax credits to the Recipient up to the amount of [] jobs; and
2. The authorization provided herein is subject to the following conditions:
 - a. The execution of an incentive agreement between the Corporation and the Recipient meeting the requirements of the Act in such form and with such provisions as one of the Authorized Officers (hereinafter defined) shall deem appropriate in the sole discretion of such Authorized Officer;
 - b. The creation of not less than the minimum required new full-time jobs under the Act, which earn no less than the median hourly wage as most recently reported by the United States Bureau of Labor Statistics for the State of Rhode Island; and

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

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

EXHIBIT 1

Rhode Island Commerce Corporation

Qualified Jobs Incentive Tax Credits – Economic Impact Analysis

Flux Marine, Ltd. Application

Introduction

The Rhode Island Commerce Corporation (the “Corporation”) may issue Qualified Jobs Incentive tax credits to Flux Marine Ltd. (“the Company”), a manufacturer of electric outboard engines. The Company was founded in Massachusetts in 2018 and in 2020 moved East Greenwich, Rhode Island, where it currently employs 8 workers. The Company is requesting that the Corporation issue the tax credits in conjunction with a proposed expansion of its Rhode Island operations that would increase the number of workers it employs in Rhode Island from 8 to 48 in 2022, 68 in 2023 and a minimum of 88 by the end of 2024. The new jobs would be split between the Company’s current location in East Greenwich and newly-leased space in Bristol.

The Company is expected to request Qualified Jobs Incentive tax credits with an estimated value of \$1,857,750 over ten years, along with a \$50,000 Rhode Island Innovation Grant. As explained below, the Company could in 2024 qualify for additional credits by increasing the number of direct new jobs it adds in Rhode Island, beyond the minimum of 80 cited above.

This analysis was prepared by Appleseed, a consulting firm with twenty-five years’ experience in economic impact analysis.

Jobs Analysis

Initial capital costs

As Table 1 shows, the costs incurred by the Company in support of its expansion from 2022 through 2024 would include improvements to its leased space totaling \$860,000, and approximately \$3.8 million. For purposes of this analysis, we assume that all of the Company’s new equipment will be procured from sources outside the state.

Table 1: Initial capital costs (in \$ thousands of 2022 dollars)

Cost	
Build-out of leased space	\$860

Equipment	\$3,800
Total	\$4,660

Using the IMPLAN input-output modeling system, a modeling tool commonly used in economic impact analyses, Appleseed estimates (as shown in Table 2) that \$860,000 in construction spending will directly and indirectly support:

- 7 jobs in Rhode Island in construction and related industries, with \$467,000 in earnings (in 2022 dollars);
- \$1.047 million in statewide economic output; and
- A one-time increase of \$570,000 in Rhode Island's GDP.

Table 2: Direct, indirect and total annual impact of initial capital spending (income, value-added and output in thousands of 2022 dollars)

	Jobs	Earnings	Value added	Output
Direct	6	\$401	\$459	\$843
Indirect	1	66	41	204
Total	7	\$467	\$570	\$1,047

We further estimate that the projected expenditure of \$860,000 on construction would directly and indirectly generate approximately \$34,500 in State personal income, sales and business taxes (including sales and use taxes paid on materials used in construction).

Annual operations

As noted above, the Company plans to add minimum of 80 qualifying jobs in Rhode Island from 2022 through the end of 2024. Table 3 summarizes the categories in which the Company expects to create these jobs, and the anticipated median salary for each category.

Table 3: Projected minimum employment, year-end 2024

New positions

Job category	(as of 2024)	Median salary
Marketing and admin staff	12	\$81,660
Technicians	16	\$45,490
Engineers	43	\$99,590
Managers	9	\$154,470
Total	80	\$99,680

Based on data provided by the Company, Appleseed estimates that by the end of 2024, ongoing operations associated with the 80 new jobs the Company would be committed to maintaining in Rhode Island for twelve years will directly and indirectly support:

- 148 jobs in Rhode Island;
- \$17.25 million in annual earnings (in 2024 dollars);
- \$53.52 million in statewide economic output; and
- An increase of \$23.39 million in Rhode Island’s annual GDP.

These impacts are summarized below in Table 4. The *direct impact* of the Company’s operations reflects the Company’s direct employment, its direct spending on wages and salaries, the value its operations add to Rhode Island’s GDP, and the total value of the goods and services it produces. Its *indirect impact* is the effect of the Company’s spending on purchases of goods and services from other in-state businesses on employment, earnings, value-added and output in Rhode Island.

Table 4: Direct, indirect and total annual impact of ongoing operations (income, value-added and output in millions of 2024 dollars)

	Jobs	Earnings	Value added	Output
Direct	80	\$9.64	\$12.38	\$29.80
Indirect	22	1.72	3.03	5.46
Total	102	\$11.36	\$15.41	\$35.26

In addition to the impacts on employment, earnings, output and state GDP cited above, the Company's new operations in Rhode Island would by the end of 2024 make a projected increase of approximately \$433,500 in annual state tax revenues, including:

- \$268,400 in state personal income taxes paid by workers newly employed by the Company in its expanded Rhode Island operations; or by Rhode Island workers whose jobs are indirectly attributable to the Company's expanded Rhode Island operations;
- \$131,200 in state sales taxes paid on those workers' taxable household spending; and
- \$33,900 in state business taxes.

As noted above, the 80 new direct jobs cited in Table 4 represent the minimum number of jobs the Company would be committed to adding by the end of 2024 and maintaining for a minimum of twelve years. The Company could become eligible for additional Qualified Jobs tax credits by increasing from 80 to at least 95 the number of new jobs added in Rhode Island; and for still more credits by further increasing the number of new workers employed in its Rhode Island operations from 95 to 110.

Hiring

Candidates for engineering jobs at Flux Marine are asked to prepare and deliver a fifteen-minute presentation to a panel of engineers on a project that demonstrates their technical skills and the strengths they would bring to the Company. The presentation is followed by a question-and-answer session, and several one-on-one interviews.

Benefits

Employee benefits offered by the Company include a medical plan with vision and dental options and paid time off, including 15 holidays and (for new employees) 14 days of PTO.

Impact

The state fiscal impact of the requested tax credits is estimated to be approximately \$1,857,750 in forgone state revenue. Direct and indirect economic and fiscal benefits of the proposed project include the estimated increase in annual state GDP of \$15.41 million in 2024, the estimated associated job creation, and a gross increase of approximately \$4.877 million in personal income, sales and business tax revenues during construction and during the twelve-year commitment period beginning in 2023. These benefits are detailed in the foregoing analysis.

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

- Highlighting Rhode Island's attractiveness as a location for companies that are actively engaged in the transition from carbon-based fuels to electricity
- Highlighting the state's role as a center of "the blue economy"
- Adding to local governments' personal property tax base

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

TAB 5

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

MARCH 28, 2022

APPROVED

VOTED: To approve applicants under the Site Readiness Program pursuant to the resolution submitted to the Board.

TAB 6

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

MARCH 28, 2022

APPROVED

VOTED: To approve the retention of Inkhouse, LLC for business attraction advertising and public relations services and Duffy & Shanley for public relations services for marketing and business development pursuant to the resolution submitted to the Board.

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

March 28, 2022

(With Respect to Business Attraction Advertising and Public Relations Services)

WHEREAS, the Board of the Rhode Island Commerce Corporation (the “Corporation”) received a presentation and recommendation from staff for the selection of vendors to perform business attraction advertising and public relations 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, Chief Financial Officer and/or Chief Marketing Officer, acting singly, shall have the authority to negotiate and execute any and all documents in connection with the retention of the each of the following vendors for the services as presented to the Board of the Corporation for a term of one year. Below are the maximum annual expenditures approved for the identified vendors:

Firm	Annual Maximum
Inkhouse, LLC	\$402,000
Duffy & Shanley	\$304,000

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