



Rebuild Rhode Island Tax Credit Application Materials

Rebuild Rhode Island Tax Credit program details can be found at:
<http://commerceri.com/services/taxes-incentives>

Rebuild Rhode Island Tax Credit Application Submission Instructions

Please submit four (4) complete hard copies, a complete electronic copy, and a one-time, nonrefundable application fee of \$1,000 in the form of a check made payable to the Rhode Island Commerce Corporation.

Applications can be submitted in person or by USPS registered mail to the following address:

**Rhode Island Commerce Corporation
Attn: Investments Team
315 Iron Horse Way, Suite 101
Providence, RI 02908**

Questions on the application process may be submitted to Investments@commerceri.com

- Read and review the Rules and Regulations for the Rebuild Rhode Island Tax Credit Program before completing this application. All eligibility requirements, including the Application Certification Form, must be met for an application to be considered for a Rebuild Rhode Island tax credit. The rules and regulations are available online at http://commerceri.com/wp-content/uploads/2015/10/Rebuild-RI_Rules.pdf.
- This application may be updated from time to time. Please ensure the most up-to-date version of the application is used for a response. The up-to-date application form is located here: <http://commerceri.com/finance-business/taxes-incentives/rebuild-rhode-island-tax-credit>.
- The Rebuild Rhode Island Tax Credit application consists of an application form, a set of required attachments, a certification form, and a nonrefundable \$1,000 application fee. To be considered for a tax credit, all items must be submitted in a single submission, organized as instructed below. Failure to provide required information could result in a delay in the review of or rejection of an application.
- The Commerce Corporation reserves the right to require the submission of additional information in connection with any application or to require the revision of an application.
- Applicants approved for a tax credit will be required to enter into an incentive agreement with the Corporation in order to receive tax credit. The Corporation may request additional information in the course of negotiating that agreement.
- **All relevant attachments must be completed before the application can be considered.**

Rebuild Rhode Island Tax Credit Application

1. Application Certification Form (Notarized)

The undersigned is the chief executive officer or equivalent officer of the applicant with the authority to bind the company for the proposed Rebuild Rhode Island tax credit.

I certify that:

- I have reviewed the information contained in this application and confirm that the statements made in this application in its entirety including all attachments, appendices, etc. are true, accurate and complete to the best of my knowledge.
- The applicant has committed equity in the project that is the subject of this application of not less than 20% of the total project cost.
- A project financing gap exists for the project that is the subject of this application.
- The project meets the eligibility criteria set forth in the rules and regulations for the Rebuild Rhode Island Tax Credit Program.
- The applicant is neither a person subject to the Rhode Island Code of Ethics nor a person within the scope of R.I.G.L. § 36-14-5(h).
- The applicant has not been convicted of bribery or attempting to bribe a public official or employee of the Rhode Island Commerce Corporation or of the State, has not been disqualified from an awarded contract with Rhode Island Commerce Corporation or the State, and has never defaulted on work awarded by the Rhode Island Commerce Corporation or the State.

Name of Certifying Officer:

Title:

Signature of Certifying Officer:

Date Signed:

Notarization:

Rebuild Rhode Island Tax Credit Application

2. Applicant Information

Business Name _____

Trade Name/DBA _____

Mailing Address _____

City _____ State _____ Zip _____ - _____

Business Phone _____ Website _____

Federal Tax ID # _____ RI Tax ID # (if applicable) _____

Same as Federal Tax ID #

Business Structure (select one):

C Corporation

Limited Liability Corporation

Limited Partnership

S Corporation

Sole Proprietorship

Other: _____

Is the applicant registered to do business in Rhode Island with the Secretary of State? Yes No

Primary Contact for Application:

Full Name _____

Job Title _____

Mailing Address _____

City _____ State _____ Zip _____ - _____

Phone _____ Email _____

3. Project Information

Project's City/Town _____

Project Type (select one):

- Commercial
- Residential (for Hope Communities only)
- Mixed Use

Has the Division of Taxation determined that the project is eligible for a historic tax credit under R.I. General Laws Section 44-33.6? Yes No

If Yes, has the developer applied for state historic tax credits? _____

Project Size _____ Gross Square Feet (25,000 square foot minimum)

Total Project Cost (must match Attachment 8) _____ (\$5,000,000 minimum unless located in a Hope Community)

Does the project involve the conversion, rehabilitation, or demolition of an existing structure?

- Yes – If yes, date(s) existing structure(s) put in service: _____
 – If yes, is the project on the National Register of Historic Places or is eligible to be on the National Register? _____
- No

For Commercial and Mixed-Use Projects:

Number of Permanent Jobs Occupying Project Upon Completion _____

For Residential and Mixed-Use Projects:

Number of Residential Units _____

Amount of Applicant Equity in the Project _____

Applicant Equity As Percentage of Project Cost _____

Total Tax Credit Sought _____

Total Tax Credit Sought As Percentage of Project Cost _____

Is the applicant seeking a sales and use tax exemption for construction materials and furnishings?

- Yes — If yes, estimated to be _____
- No

Developer(s) _____

Owner(s) _____

Contractor(s) _____

Legal Counsel: Firm _____ Principal Attorney _____

Architect(s): Firm _____ Principal Architect _____

Lender(s) _____

4. Project Timeline

Anticipated Construction Start Date _____

Anticipated Construction Completion Date _____

Anticipated Date Project Will Be Open and Operational _____

Permitting and Approval

List all federal, state, and local permits or approvals required to complete the project, the permitting or approving agency, the fees paid or anticipated, the permit status (e.g., approved, pending, or anticipated date of application), and the date of actual or expected receipt.

Permit/Approval	Agency	Fees paid / anticipated	Status	Date of actual/expected approval

5. Required Attachments

Please attach to the application form responses to the following prompts. Attach these items in the order provided below. Each attachment should have a cover page that identifies the attachment, e.g., "Attachment 1: Project Summary."

All applicants are advised that any and all records (documents, correspondence, memoranda, etc.), received or maintained by the Commerce Corporation may be a matter of public record and subject to release upon a request from a member of the public under the Rhode Island Access to Public Records Act ("APRA"), R.I. Gen. Laws Section 38-2-1 et seq. In response to a request, the Commerce Corporation has the right, in its sole discretion, to redact or withhold information which is exempt from disclosure under APRA, including trade secrets and commercial or financial information which is of a privileged or confidential nature. **The Corporation recommends that any portion of any attachment in the application that contains such information be clearly labeled with the legend "Confidential Information."**

Attachment 1: Project Summary

Provide a summary of the project not to exceed 2 pages in length. The summary should include:

- o Narrative description of the project, including uses (residential, manufacturing, office, retail, etc.), project location, whether the project involves new construction or adaptive reuse, size of the project, project cost, project amenities and construction schedule.
- o Aggregate amount of tax credit sought and why a tax credit of that size is essential to completion of the project in Rhode Island.
- o Statement, if applicable, that the project seeks waiver of the project size and costs eligibility requirements.
- o State, if applicable, that the project seeks a waiver of the project cost requirements because it is located in a Hope Community (Central Falls, Pawtucket, Providence, West Warwick, and Woonsocket).

Attachment 2: Site Map

Provide a map that shows the project site and includes the municipal tax assessor's parcel identification number for each parcel involved in the project site. Provide a second map that shows the project site and its immediate surroundings. Both maps should be 11x17.

Attachment 3: Site Control

Provide a list of each parcel involved in the project site, identified by the municipal tax assessor's parcel identification number, and the status of the site control for each (e.g., owned, under contract, in negotiations, etc.). Attach to that list documentation evidencing the existing site control (e.g., deed, contract, lease, etc.).

Attachment 4: Commercial Uses (required only for Commercial and Mixed-Use projects)

Identify the prospective business(es) that will or could reasonably occupy the project once complete, the principal products and services produced or supplied by such business(es), the anticipated number of full-time employees the business(es) will or could reasonably employ and the associated wages and benefits provided. Include the principal 5-digit NAICS code(s) for the occupant business(es) that are presently known. If the project is not for commercial or mixed use, indicate "N/A" (Not Applicable).

Attachment 5: Residential Breakdown (required only for Residential and Mixed-Use projects)

Provide the number of units in the project, a description of the unit sizes and layouts, and projected sale or lease prices for each type of unit/layout. In addition, if the project includes Affordable or Workforce Housing, please include as an

addendum an affordability matrix detailing the percentage, income limit and term of Affordable or Workforce Housing status.

If the project is not residential or mixed use, indicate "N/A" (Not Applicable).

For purposes of the Rebuild Rhode Island Tax Credit Program, the following definitions apply:

Affordable Housing means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance costs that do not exceed thirty percent (30%) of the gross annual income of a household earning up to eighty percent (80%) of the area median income, as defined annually by the United States Department of Housing and Urban Development. According to 2016 HUD income guidelines, 80 percent of median Rhode Island family income for a four-person household equals \$58,800. In determining the affordability of a specific unit, the Corporation will reference U.S. HUD income [limits](#) by household size in accordance with the size of the unit under review – for example, a unit is subject to the income thresholds for a household with one more householder than the number of bedrooms in the unit (e.g. a four-person household will require a three-bedroom unit).

Workforce Housing means housing for sale or rent with combined annual rental costs or combined annual mortgage loan debt service, property taxes, and required insurance costs that do not exceed thirty percent (30%) of the gross annual income of a household earning between eighty percent (80%) and one hundred and forty percent (140%) of the area median income, as defined annually by the United States Department of Housing and Urban Development. According to 2016 HUD income guidelines, 80 percent of median Rhode Island family income for a four-person household equals \$58,800; 140 percent equals \$102,900. In determining the "workforce housing" status of a specific unit, the Corporation will reference U.S. HUD income [limits](#) by household size in accordance with the size of the unit under review – for example, a unit is subject to the income thresholds for a household with one more householder than the number of bedrooms in the unit (e.g. a four-person household will require a three-bedroom unit).

Attachment 6: Renderings

Provide architectural elevations, massing plans and/or renderings for the project. These drawings should be no larger than 11x17 inches.

Attachment 7: Description of Project Financing

Provide a detailed description of project's financing, which shall include all sources and amounts of funding, projected internal rate of return, net margin, return on investment, and cash on cash yield. Include number of lenders approached and their history with applicant if any. Clearly identify the source of the equity being used to satisfy the requirement that the applicant has committed at least 20% equity in the project. Attach all funding commitments, including any lender commitment letter(s), equity support agreement(s) or other evidence of committed financing. Include information on how the applicant intends to bridge the requested Rebuild Tax Credits.

Attachment 8: Detailed Project Cost

Provide a detailed line item breakdown of project costs. The breakdown should identify any costs incurred as of the date of this application, and the date the cost was incurred. Acquisition cost should be supported by comparables, an appraisal, or other documentation. Identify, quantify, and break out separately all affiliate costs/payments to the developer and/or affiliates.

In addition, if the project is seeking a sales and use tax exemption, this breakdown should isolate the amount of sales and use tax that would be subject to that exemption. For reference, the sales and use tax exemption, which is granted at the discretion of the Corporation, is available for purchases of the following classes of personal property (only to the extent utilized directly and exclusively in the project): (1) furniture, fixtures and equipment, except automobiles, trucks or other motor vehicles; or (2) such other materials, including construction materials and supplies, that are depreciable and have a useful life of one year or more and are essential to the project.

Attachment 9: Financing Gap and Tax Credit Requested

Rebuild Rhode Island tax credits are only available if the project has a financing gap. A financing gap, defined below, is the financing shortfall that makes a project unlikely to be accomplished by private enterprise in Rhode Island without the

receipt of the requested tax credits. Any tax credit awarded to a project cannot exceed the project's financing gap. In this attachment, set forth the amount of the tax credit sought and demonstrate that it does not exceed the project financing gap on the project. A financing gap can take one of two forms: (1) an internal financing gap or (2) a competitive financing gap.

An **internal financing gap** is that part of the total project cost that remains to be financed after all other sources of capital have been accounted for, including, but not limited to, applicant's equity, a reasonable assumption of debt on the project, and any other capital source that is reasonably available given the nature of the project. To demonstrate an internal financing gap, the applicant must indicate the minimum expected return or profit needed to proceed with the project.

A **competitive financing gap** is the amount of funds necessary to gain a competitive advantage over a viable comparable location in another state. To demonstrate a competitive financing gap, the applicant must present a detailed analysis that demonstrates the capital and operating cost differential between the alternative location and the Rhode Island location. To the extent that the analysis relies on the receipt of government incentives from the jurisdiction of the alternative location, an incentive offer letter from the other jurisdiction should be included.

Attachment 10: Rebuild Rhode Island Tax Credit Allocation (if applicable)

Rebuild Rhode Island tax credits are provided in five equal annual installments, the first of which is available after the project is placed in service. There is a strong presumption in favor of this default allocation.

An applicant may, however, request a different annual allocation, which the Corporation may grant in its sole discretion. Any alternative allocation must, at a minimum, meet the following criteria: (1) there must be at least four annual installments, and no more than five; (2) any individual annual installment must not exceed 30% of the total credit amount awarded; and (3) any individual annual installment must not fall below 15% of the total credit amount awarded.

If seeking an alternative allocation, please provide a description and table of the alternative allocation being sought and provide a justification for why this alternative allocation is necessary for the project to proceed. Notwithstanding any request for an alternative allocation, the Commerce Corporation reserves the right to approve a project subject to a different allocation than the one requested.

If seeking the default allocation, indicate "N/A" (Not Applicable).

Attachment 11: Pro Formas

Include two 11-year operating pro formas, assuming (a) the project receives the Rebuild Rhode Island tax credit in the amount requested and (b) the project does not receive any Rebuild Rhode Island tax credit. In both cases, provide all assumptions and available supporting documentation such as market studies or comparables.

Identify, quantify, and break out separately all affiliate costs/payments to the developer and/or affiliates.

Include excel versions of proformas in electronic submission.

Attachment 12: Tax Stabilization Agreement

It is the expectation that the applicant has sought alternative sources of financing such as through a tax stabilization agreement. State whether the project has received a tax stabilization agreement from the municipality where it is located. If not, describe the commercially reasonable efforts the applicant has or will take to obtain such an agreement, or explain why such an agreement is not being sought.

Attachment 13: Other Incentives

List all federal, state, and local incentives, grants, tax credits or other aid (with the exception of local tax stabilization agreements) that will or may be received or requested for the project, and the status of the application for each. If applicable, include the letter from the Division of Taxation indicating the project's position in the state Historic Tax Credit queue.

Attachment 14: Business Plan or Market Study

Detail the major risks, business drivers, and financial opportunities for the project. Attach any business plan(s) and/or market study(ies) completed for the project.

Attachment 15: Benefits and Catalytic Impact

Provide an assessment of the project's benefits and catalytic economic and real estate development impact. Relevant criteria include, but are not limited to, increasing permanent employment, catalyzing private investment, enhancing state and local revenues, neighborhood revitalization, elimination of blight, reuse of vacant or underutilized buildings, and environmentally-sustainable development. This assessment should include qualitative and quantitative components; estimates and projections should be supported by evidence.

Attachment 16: Jobs Creation

List the number, anticipated start dates, and anticipated wage and benefits for all permanent jobs that will be located at the project. Indicate the number of new jobs to Rhode Island, with an explanation of why those jobs are in fact new to Rhode Island (as opposed to existing jobs within the state that are being relocated to the new facility).

Provide a separate list with the number, timing (start and end date), duration, and anticipated wage and benefits levels for all construction jobs.

Attachment 17: Ownership Structure

Provide an organizational chart and narrative description of the ownership structure of the development and ownership entities; include the names and ownership interests of individual(s) involved in each. The financial relationship of each entity must be accurately described.

Attachment 18: Experience

Describe the experience developing and/or operating projects similar to the proposed project for both the applicant and the personnel primarily responsible for the project. Resumes of key personnel should be provided as well.

Attachment 19: Return on Incentive

One factor relevant to the Corporation's review of the application is whether there exists an opportunity for the Corporation (or the State of Rhode Island) to recoup or receive a return on all or portion of the sales tax exemption or tax credits provided to a project by virtue of a receipt of an equity stake or other interest in or return from the project. If applicable, please include a description of any such opportunity. Otherwise, indicate "N/A" (Not Applicable).

Attachment 20: Additional Credit Eligibility (if applicable)

If an aggregate tax credit in excess of 20% of the project cost is being sought, the project must meet one or more of the criteria set forth below. If the project is eligible for one or more of the following criteria, it may be eligible to receive a tax credit in an aggregate amount equal to a financing gap of up to 30% of the project cost. If the project is not eligible for one or more of the following criteria or has a financing gap of 20% of the project cost or less, indicate "N/A" (Not Applicable).

Attachment 20-1: Historic Structure

The project includes Adaptive Reuse or development of a Recognized Historical Structure. If seeking to qualify for additional credits under this criterion, the applicant should identify each historic structure involved in the project and, for each, identify whether it is (i) listed individually on the national register of historic places; (ii) listed individually in the state register of historic places; or (iii) located in a registered historic district and certified by either the Rhode Island Historical Preservation & Heritage or the Secretary of the Interior as being of historic significance to the district. If none of (i), (ii), or (iii) apply to the project, describe and provide evidence for why the structure is commonly

considered to be of historic or cultural significance. Finally, the applicant should describe how the project and its design will rehabilitate historic properties and/or enhance a historic district.

Attachment 20-2: Targeted Industry

The project is undertaken by or for a Targeted Industry. As of the date of this application, targeted industries are the following:

- Biomedical Innovation
- IT/Software, Cyber-Physical Systems, and Data Analytics
- Defense Shipbuilding and Maritime
- Advanced Business Services
- Design, Food, and Custom Manufacturing
- Transportation, Distribution, and Logistics
- Arts, Education, Hospitality, and Tourism

If seeking to qualify for additional credits under this criterion, describe the project's impact on the targeted industry, both at the project site and its potential to enhance the industry's presence, efficiency, and output in the state. This assessment should include qualitative and quantitative components, and estimates and projections should be supported by evidence.

Attachment 20-3: Transit Oriented Development Area

The Project is located in a Transit Oriented Development Area. Under this program, transit oriented development can take one of two forms:

- Public-transit oriented development is development that is in close proximity to, compatible with, and supportive of public transit;
- Freight-transit oriented development is development in an area with ready access to freight rail, air, and/or marine transportation where manufacturing, warehousing, distribution, and freight forwarding operations are or could be located.

A project can qualify for an additional tax credit if it is located in either a public-transit or freight-transit oriented development area. An applicant can demonstrate qualification for this additional tax credit as follows:

Public-transit oriented development area

If the applicant is proposing a new designation of a public-transit oriented development area, it should include in the application the following:

- A map delineating the public-transit oriented development area and identifying the public transit within the area and the zoning in the area. A description of the rationale for the area's boundaries should also be included.
- Evidence of the municipality's commitment to transit oriented development in the proposed area, in the form of zoning ordinances, planning documents, etc. This evidence should reflect planning for compact, mixed-use, pedestrian-friendly, transit-supportive or -related development.
- List and describe the following:
 - The modes of public transit that currently serve the area.
 - Existing or planned infrastructure to make the area more conducive to pedestrian and bicycle transport.
 - Existing and/or planned public amenities at the transit facility that were initiated by the municipality, e.g. parks, civic spaces, public art, memorials, tourist information booths, wayfinding signage.
- A description of how the project will enhance transit oriented development within the area.
- Identify and describe additional real estate development within the proposed area, beyond the project site, where transit oriented development – i.e., compact, mixed-use, pedestrian-friendly, transit-supportive or -related development – has occurred or is planned. For planned projects, provide a brief statement of the project status.

Freight-transit oriented transit development area

Alternatively, if the project has a freight component, the applicant can satisfy this criterion by demonstrating that the project is an area with ready access to freight rail, air, and/or marine transportation where manufacturing, warehousing, distribution, and freight forwarding operations are or could be located. An applicant seeking to make this demonstration

should include:

- A map delineating the proposed or existing freight-transit oriented development area. A description of the rationale for the area's boundaries should also be included.
- List and describe the following:
 - The modes of freight transit that currently serve the area, and any steps taken to integrate these modes.
 - Existing or planned infrastructure to make the area more conducive to freight transit.
- A description of how the project will enhance freight-transit oriented development within the area.

Attachment 20-4: Affordable and Workforce Housing

The Project includes Residential development with at least twenty percent (20%) of the Residential units designated as Affordable Housing or Workforce Housing. If seeking to qualify for additional credits under this criterion, the applicant should set forth the number of affordable or workforce housing units to be made available, the specific income limits that will be placed on those units, and the duration of the commitment to maintaining affordability at those limits. The Corporation will grant preference to applications that commit to maintain units as affordable for a longer period of time and at greater affordability (i.e. lower-priced) levels.

Attachment 20-5: Industrial Property Remediation and Reuse Properties

The Project includes the Adaptive Reuse of property subject to the requirements of the Industrial Property Remediation and Reuse Act, R.I. Gen. Laws § 23-19.14-1. To satisfy this criterion, demonstrate that the project is located on property that is subject to Industrial Property Remediation and Reuse Act and describe the remediation efforts the project will include.

Attachment 20-6: Sustainable Development

The Project includes Commercial facilities constructed in accordance with the minimum environmental and sustainability standards, pursuant to LEED or other equivalent standards. To satisfy this criterion, identify the environmental/sustainability standard the project will meet (e.g., LEED, LEED silver, LEED gold, LEED platinum) and describe how the project meets that standard. If proposing to meet a standard other than LEED, explain why that standard is at least as environmentally friendly as LEED.

Attachment 21: Conflict of Interest Disclosures

Provide (1) the full name and address of each individual who is an owner, partner, or investor, or otherwise holds an interest in an applicant, either individually or through one or more other entities (except that individuals having an interest in an applicant by virtue solely of ownership in a publicly-traded corporation need not be listed); (2) a complete list of each entity holding an interest in the applicant; and (3) a complete list of each officer, director, or manager of the applicant.