

**MEETING OF THE  
RHODE ISLAND COMMERCE CORPORATION**

**AGENDA**

**MONDAY, JULY 27, 2015**

**PUBLIC SESSION**

Call to Order: Presiding Officer

1. Welcome by the Presiding Officer.
2. To consider for approval the Executive Session Minutes for the meeting held on May 18, 2015 (See **Tab 1**).\*
3. To consider litigation issues related to 38 Studios, LLC.\*
4. To consider for approval the Public Session Minutes for the meeting held on July 1, 2015. (See **Tab 2**).
5. To consider for approval the promulgation of rules in relation to the Rebuild Rhode Island Tax Credit Act, Rhode Island Tax Increment Financing Act of 2015, Main Street Rhode Island Streetscape Improvement Fund, Anchor Institution Tax Credit Act and the Rhode Island Qualified Jobs Incentive Act of 2015. (See **Tab 3**).
6. To consider for approval certain small scale solar renewable energy fund awards. (See **Tab 4**).
7. To consider for approval a grant proposal with the University of Rhode Island. (See **Tab 5**).
8. To consider for approval a resolution providing authority to staff to approve certain renewable energy fund awards. (See **Tab 6**).
9. To consider for approval a resolution providing for the addition of the CEO and COO as authorized officers under all prior resolutions of the Corporation and an additional designation for the COO. (See **Tab 7**).
10. Vote to Adjourn.

\*Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.

**TAB 1**

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

**EXECUTIVE SESSION MINUTES**  
**FOR THE MEETING HELD ON**  
**MAY 18, 2015**

**APPROVED**

**VOTED:** To approve the Executive Session Minutes for the meeting held on May 18, 2015, as submitted to the Board of Directors.

**VOTED:** That the minutes of the May 18, 2015 Executive Sessions, pursuant to R.I. Gen. Laws §§ 42-46-4, 5, and 7, shall not be made available to the public except as to the portions of such minutes as the Board of Directors ratifies and reports in the Public Session of the May 18, 2015 meeting.

Dated: July 27, 2015

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

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Monday, May 18, 2015**, beginning at **5:00 p.m.** for the following purposes:

**PUBLIC SESSION**

1. To consider for approval the Public and Executive Session Minutes for the meeting held on April 20, 2015.
  2. To consider for approval the issuance of Rhode Island Historic Structures Tax Credit Program Bonds, in the approximate amount of \$75,000,000.
  3. To consider for approval the Rhode Island Commerce Corporation Annual Performance Report for Fiscal Year Ending June 30, 2014.
  4. To consider issues related to the litigation pending before the Providence Superior Court known as Rhode Island Economic Development Corporation v. Wells Fargo Securities, LLC, et al.\*
- \* Board members may seek to convene in Executive Session pursuant to R.I. Gen. Laws § 42-46-5(a)(2) to discuss this Agenda item.

This notice shall be posted no later than 5:00 p.m. on Thursday May 14, 2015, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

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

Dated: May 14, 2015

**TAB 2**

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

**PUBLIC SESSION MINUTES**  
**FOR THE MEETING HELD ON**  
**MAY 18, 2015**

**APPROVED**

**VOTED:** To approve the Public Session Minutes for the meeting held on July 1, 2015, as submitted to the Board of Directors.

Dated: July 27, 2015

# RHODE ISLAND COMMERCE CORPORATION

## MEETING OF DIRECTORS PUBLIC SESSION

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on July 1, 2015, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the public notice of meeting, a copy of which is attached hereto as **Exhibit A**, as required by applicable Rhode Island law.

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

Directors absent were: Ronald O'Hanley, Tim Hebert and Mary Jo Kaplan.

Also present were: Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht and Thomas Carlotto.

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

The Chair, Governor Gina M. Raimondo, called the meeting to order at 5:04 p.m. indicating that a quorum was present.

### 2. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON MAY 18, 2015**

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

**VOTED:** To approve the Public Session Minutes for the meeting held on May 18, 2015, as presented to the Board of Directors.

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

Voting against the foregoing were: None

Mr. Buonanno arrived at 5:14 p.m.

### 3. **TO RECEIVE AN UPDATE CONCERNING THE STATE BUDGET.**

The Governor gave a brief introduction of the core of the jobs plan contained in the state budget and the need to focus on economic development. She highlighted that the administration was able to close a significant deficit without any broad base tax increases and to make substantial investments in relation to economic development including education and tax incentive programs. The Governor introduced Secretary of Commerce (the "Secretary"), Stefan Pryor, to provide details of the programs that will be administered by the Corporation. See **Exhibit B**

Mr. Pryor began by explaining that Rhode Island was lacking many economic incentive tools that other states possess, which was a significant limitation in terms of retaining businesses presented with offers from other states and attracting new businesses to the state. The Secretary then explained that the major proposed programs contained in the Governor's budget were adopted in the budget passed by the General Assembly.

Mr. Pryor indicated that the majority of the economic incentive programs are under the jurisdiction of the Corporation and he commenced his presentation summarizing the Rhode Island New Qualified Jobs Incentive Act. He highlighted the eligibility requirements for a business to receive tax credits under this program. Mr. Pryor then identified the potential benefits as a maximum of \$7,500 per job with a base amount of \$2,500 for up to ten years. He explained that the program is designed to be revenue neutral, which is accomplished with an additional limitation that the tax credits cannot exceed the estimated personal income taxes generated by the newly created jobs. The Secretary explained that the tax credits may be sold or they can be redeemed by the State at 90% of the face value of the credits.

The Secretary then presented the Rebuild Rhode Island Tax Credit program. He indicated that many developers have stated that it sometimes does not pay to build in Rhode Island. Mr. Pryor noted that other states have programs that help fill the gap to permit projects to become financially feasible and that Rhode Island needed a competing program. He explained the eligibility criteria for developers to qualify for the base credit, which may be used to close a gap of up to 20% with the provision of a tax credit. He noted that the tax credit may be sold or redeemed by the State at 90% of the face value. The Secretary indicated that under certain circumstances including, but not limited to, transit proximity, adaptive reuse of historic structures or a targeted industry, a project may qualify to fill a gap of up to 30%. Mr. Pryor further detailed the ability to also grant a sales tax exemption in relation to depreciable materials used in the project in addition to the grant of tax credits. He then explained that the benefits for a project are payable over five years and are only granted after the project is completed.

Mr. Buonanno asked if the budget included amounts for each program. The Governor noted that the jobs incentive is revenue neutral so it is not subject to budgeting. Mr. Pryor explained the Rebuild Rhode Island program relies on anticipated future revenues. Mr. Buonanno asked if it is the intention to allocate the majority of the anticipated program funding in the first year. Mr. Pryor responded that it is not a race but there is a sense of urgency.

Mr. Pryor then noted that many of the remaining programs are all budgeted for in fiscal year 2016. He explained that the programs are discretionary and there will be a selection process for program participants.

The Secretary summarized the Tax Stabilization Incentive program, which is intended to incentivize municipalities to enter into tax stabilization agreements with developers. He explained that the general threshold for qualification is a project of \$10,000,000 that creates fifty jobs, with some exceptions for higher poverty communities. He noted that the program is a positive monetary benefit intended to encourage municipalities concerned with the loss of potential revenues associated with granting a tax stabilization incentive to enter into tax stabilization agreements with developers.

Mr. Pryor next discussed the Tax Increment Financing program noting that it is not a budgeted program as it permits the Corporation to pledge up to 75% of certain new state tax revenue generated by a project. He indicated that there are an array of taxes in the statute that may be pledged including the corporate income tax or the hotel tax. The Secretary explained that the TIF program may be a better choice than the Rebuild Rhode Island program in certain circumstances and adds an additional tool in the economic incentive tool box. The Governor commented that this is a tool that municipalities can use in relation to property taxes and this program expands the taxes that could be eligible to support a project. Mr. Wadensten asked if municipalities are using TIF incentives and Mr. Pryor explained that it is available to municipalities but appears to be uncommon in Rhode Island.

The Secretary then detailed the Anchor Institution Tax Credit Act, which arose from discussions with local chambers of commerce. He explained that it is intended to incentivize companies that are dedicated to Rhode Island and who encourage suppliers or customers to move to Rhode Island. The program will provide a tax credit to an institution that plays a significant role in such a company moving to Rhode Island.

Mr. Pryor went on to outline the Main Street Rhode Island Streetscape Improvement Fund, which is budgeted for \$1,000,000 in fiscal year 2016. He explained that the program is designed to improve business districts and make them attractive. The program is intended to provide funding with a match from a municipality and/or third-parties to improve streetscapes, which may include improvements to building facades, sidewalks, signage, street lighting, among other elements.

Mr. Wadensten asked who is going to be responsible for monitoring and managing these programs. Mr. Pryor explained that for the smaller programs, such as the Mainstreet Program, the Corporation will be the sole administrative entity. With respect to the Rebuild Rhode Island, for example, the Department of Administration and the Division of Taxation will be involved in certain aspects of the program. Mr. Pryor further explained that matters such as the financing gap analysis for a project would be the responsibility of the Corporation and may involve third-party experts. He then

explained that the issuance of the tax credits and redemption the tax credits will involve the Division of Taxation. The Governor then commented that the Corporation will be retaining expert staff to facilitate the administration of such a program and any help that can be provided by Board members in identifying candidates for employment would be appreciated. Mr. Buonanno stated that the program presents an interesting challenge in that it requires ensuring that investors are not simply receiving a benefit for a project that would occur without the incentive. Mr. Pryor agreed and explained that that is the job of the Corporation. Mr. Early explained that the awards will be on a contractual basis and the Corporation can seek an upside interest to help protect against such concerns.

Mr. Pryor next detailed the Small Business Assistance Program, which is a program to provide loans and technical assistance. He explained that in addition to general lending assistance, the program includes a micro-loan program. The technical assistance component will provide grants to third-parties to help businesses. The Secretary further noted that there has been consideration of the types of loan constructs that would work best to leverage both the public and private resources available to businesses, such as credit enhancements of SBA loans, loan loss reserve fund and other incentives that would involve a partnership, which includes the underwriting process of a private lender.

The Secretary next introduced the Industry Cluster Grant program, which will provide a total of \$750,000 for a strategic exercise to identify industries that should receive investment. He explained that the funding will be available to trade groups, industry associations and industry representatives for the purpose of identifying the competitive advantage of Rhode Island in industry sectors and what kinds of needs exist to enhance these advantages or fill gaps. Mr. Pryor explained that in tandem with this program, the Department of Labor and Training is doing a parallel exercise in relation to workforce needs on a sector or cluster basis, which will provide funding in connection with those efforts.

Mr. Pryor went on to discuss the First Wave Closing Fund as an effort to provide last dollar funding for commercial projects that may have reached caps in other programs or not eligible for other programs. The budget for the program was appropriated in the amount of \$5,000,000 for fiscal year 2016. The program is intended to be highly flexible to allow for the necessary discretion to permit incentives to certain projects early on in the implementation of these incentive programs.

The Secretary discussed the Innovation Voucher Program, which is intended to trigger research and development activity. He noted that oftentimes smaller and mid-size businesses don't have the resources to invest in certain research and development but there exist resources in the state such as colleges and universities that have the expertise to provide the needed research and development to these businesses. The program would provide vouchers to aid a business to obtain such research and development assistance.

The Secretary next addressed the Wave Maker Fellowship program, which is intended to attract and retain graduates to work in Rhode Island. He indicated that we hear from many people that talent is a leading need of businesses in Rhode Island. The program provides tax credits to qualified individuals of up to \$4,000 for candidates with a bachelor degree and \$6,000 for candidates with a graduate degree. The program requires that 70% percent of the incentives are allocated for Rhode Island residents or graduates of Rhode Island institutions, and are will be granted on a competitive basis to applicants that work for a Rhode Island company. He noted that the program was budgeted for \$1,750,000 in fiscal year 2016. The Governor commented that she would like to see additional private contributions to the program and/or corporate partners to provide additional incentives for loan repayment to help attract talented people to either stay or come to Rhode Island.

Mr. Pryor in closing explained that programs will be coming before the Board in the form of rules and regulations and he introduced Mr. Early to provide a summary of the rollout of the rules. Mr. Early indicated that the rulemaking process would be undertaken in two phases. He explained that the more complicated programs would be in the first phase with an anticipated date for consideration by the Board at the July 27 meeting and then a public comment period commencing shortly thereafter, if the rules are approved at that meeting. Mr. Early indicated that the goal was to have the first phase rules in effect as of September 2015. He then commented that the second phase would effectively mirror the first phase with the anticipated review of the rules by the Board at the August meeting.

Dr. Carriuolo commented that many businesses invest in a young employee over a year or two and then the employee leaves, which is oftentimes a significant loss of investment to the business. She asked what would happen to such an employee under the Wavemaker Fellowship program if the employee left their job for another Rhode Island employer or would they need to be in the state for four years. Mr. Pryor asked Mr. Licht to comment on the monetary commitment under the program. Mr. Licht indicated that the monetary commitment is annual for a term of four years. Mr. Licht also stated that the statute doesn't preclude a candidate from moving from employer to employer within the state so long as it was a qualified job, and Mr. Pryor explained that this was an appropriate consideration for a potential limitation in rules and regulations. The Governor noted that a match or additional incentive from the private employer working in tandem with the state program would be an incentive that would avoid this pitfall.

In conclusion, the Governor thanked the Board for its time and emphasized the importance of these programs.

#### 4. TO CONSIDER FOR APPROVAL RENEWABLE ENERGY FUND MATTERS

The Governor next introduced Hannah Morini for a presentation on the Renewable Energy Fund (“REF”). See Exhibit C. Ms. Morini gave some background of the program and funding to date. Ms. Morini then provided a brief summary of the proposed projects under consideration by the Board. Finally, she responded to various inquiries from the Board of Directors regarding the fund.

- a. A grant to Alteris Renewables, Inc., in the amount of \$324,037.25;
- b. A grant to Sabetti Construction, Inc., in the amount of \$115,595.25;
- c. A grant to Stateside Precision Group, LLC, in the amount of \$6,882.75;
- d. A grant to Sol Power, LLC, in the amount of \$102,455.00;
- e. A grant to SunWatt Solar, LLC, in the amount of \$24,018.00;
- f. A grant to US Solar Works, LLC, in the amount of \$10,000.00;
- g. A grant to Small Axe Productions, LLC, in the amount of \$19,992.75;
- h. A grant to Herbold Meckesheim USA – Resource Recycling Systems, Inc., in the amount of \$25,760.00;
- i. A grant to Andrea Bond d/b/a Andrea Bond Winery, in the amount of \$13,765.50;
- j. A grant to PRI Renewable Energy, LLC (Gatewood), in the amount of \$82,500.00;
- k. A grant to PRI Renewable Energy, LLC (Bear Hill), in the amount of \$182,500.00;
- l. A grant to PRI Renewable Energy, LLC (Metcalf Courts), in the amount of \$107,500.00;
- m. A grant to PRI Renewable Energy, LLC (Indian Run), in the amount of \$212,500.00;
- n. A grant to Lincoln School, in the amount of \$57,316.00;
- o. A grant to Friends of SRIMS, Inc., in the amount of \$57,316.00;
- p. A grant to St. Michaels Country Day School, in the amount of \$11,799.00;
- q. A grant to the Town of New Shoreham and/or Block Island School, in the amount of \$45,655.00;
- r. A grant to Church of our Lady of Mount Carmel, Bristol and/or Our Lady Mount Carmel School, in the amount of \$52,440.00;
- s. A grant to St. Mary Academy – Bay View, in the amount of \$56,672.00;
- t. A grant to the City of Cranston, in the amount of \$57,316.00;
- u. A grant to Harmony Hill School, Incorporated, in the amount of \$54,096.00;
- v. A grant to Pennfield School, Inc., in the amount of \$27,531.00;
- w. A grant to Moses Brown School Incorporated, in the amount of \$107,500.00; and
- x. A grant to Sabetti Construction, Inc., in the amount of \$122,855.50.

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

**VOTED:**

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

Voting against the foregoing were: None.

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

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:37 p.m., upon motion made by Mr. Wadensten and seconded by Ms. Vanessa Toledo-Vickers.

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Thomas Carlotto, Secretary

**EXHIBIT A**

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

A meeting of the Rhode Island Commerce Corporation Board of Directors will be held at the offices of the **Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island**, on **Wednesday, July 1, 2015**, beginning at **5:00 p.m.** for the following purposes:

**PUBLIC SESSION**

1. To welcome the new members of the Rhode Island Commerce Corporation's Board of Directors.
2. To consider for approval the Public Session Minutes for the meeting held on May 18, 2015.
3. To receive an update concerning the state budget.
4. To consider for approval the following Renewable Energy Fund matters:
  - a. A grant to Alteris Renewables, Inc., in the amount of \$324,037.25;
  - b. A grant to Sabetti Construction, Inc., in the amount of \$115,595.25;
  - c. A grant to Stateside Precision Group, LLC, in the amount of \$6,882.75;
  - d. A grant to Sol Power, LLC, in the amount of \$102,455.00;
  - e. A grant to SunWatt Solar, LLC, in the amount of \$24,018.00;
  - f. A grant to US Solar Works, LLC, in the amount of \$10,000.00;
  - g. A grant to Small Axe Productions, LLC, in the amount of \$19,992.75;
  - h. A grant to Herbold Meckesheim USA – Resource Recycling Systems, Inc., in the amount of \$25,760.00;
  - i. A grant to Andrea Bond d/b/a Andrea Bond Winery, in the amount of \$13,765.50;
  - j. A grant to PRI Renewable Energy, LLC (Gatewood), in the amount of \$82,500.00;
  - k. A grant to PRI Renewable Energy, LLC (Bear Hill), in the amount of \$182,500.00;
  - l. A grant to PRI Renewable Energy, LLC (Metcalf Courts), in the amount of \$107,500.00;
  - m. A grant to PRI Renewable Energy, LLC (Indian Run), in the amount of \$212,500.00;
  - n. A grant to Lincoln School, in the amount of \$57,316.00;
  - o. A grant to Friends of SRIMS, Inc., in the amount of \$57,316.00;
  - p. A grant to St. Michaels Country Day School, in the amount of \$11,799.00;
  - q. A grant to the Town of New Shoreham and/or Block Island School, in the amount of \$45,655.00;
  - r. A grant to Church of our Lady of Mount Carmel, Bristol and/or Our Lady Mount Carmel School, in the amount of \$52,440.00;
  - s. A grant to St. Mary Academy – Bay View, in the amount of \$56,672.00;
  - t. A grant to the City of Cranston, in the amount of \$57,316.00;
  - u. A grant to Harmony Hill School, Incorporated, in the amount of \$54,096.00;
  - v. A grant to Pennfield School, Inc., in the amount of \$27,531.00;
  - w. A grant to Moses Brown School Incorporated, in the amount of \$107,500.00; and
  - x. A grant to Sabetti Construction, Inc., in the amount of \$122,855.50.

This notice shall be posted no later than 5:00 p.m. on Monday June 29, 2015, at the Office of the Rhode Island Commerce Corporation, at the State House, and by electronic filing with the Secretary of State's Office.

Shechtman Halperin Savage, LLP, Counsel to the Corporation

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

Dated: June 26, 2015

**EXHIBIT B**



Commerce RI

# Rhode Island's New Incentive Programs

*A summary based on the FY'16 approved budget*

# Program Summary

## 11 Programs deployed in 2 phases

- **Phase I:**
  - Qualified Jobs Incentive
  - Rebuild Rhode Island Tax Credit
  - Tax Increment Financing
  - Anchor Institution Tax Credit
  - Main Street Rhode Island
- **Phase II:**
  - Small Business Assistance Program
  - Industry Cluster Grants
  - Fist Wave Closing Fund
  - Tax Stabilization Incentive
  - Innovation Vouchers
  - Wavemaker Fellowship



# Program Summary – Phase I

## Qualified Jobs Incentive

- Promotes new jobs by attracting business /industries to grow in Rhode Island
  - Base tax credit: up to \$2,500/new full-time job; Bonus: up to \$7,500/job if certain criteria (targeted industry, hope community, etc.) are met
  - Must create a minimum 20 jobs or grow in-state workforce by 10%\*; lowered to 10 jobs if certain criteria are met
  - Benefit may not exceed 10 years in term or income tax withholdings generated by the jobs created; Applications must be received by 12/31/18
  - Usable, tradable and redeemable (90% to the state)

## Rebuild Rhode Island Tax Credit

- Provides capital to qualified real estate projects that demonstrate a “financing gap”.
  - Up to 20% of eligible project costs; 30% if certain criteria are met; \$15M/project cap
  - Usable, tradable and redeemable (90% of value)
  - Sales tax exemption on building materials may apply
  - Credits payable in 5 years following completion (certificate of occupancy)
  - Program sunsets 12/31/18



# Program Summary – Phase I

## Tax Increment Financing Program

- Provides capital to eligible projects by rebating new state tax revenue generated
  - Projects must demonstrate need through a “financing gap”
  - Reimbursements may not exceed 30% of total project costs (exemption for public infrastructure/utilities) or 75% of incremental revenue generated

## Anchor Institution Tax Credit

- Compensates existing RI businesses that attract suppliers, service providers and/or major customers to relocate to RI.
  - Eligible relocations must have 10 jobs 2015-2018; 25 jobs 2019-2020
  - Sector, location, demonstrated role in relocation decision, impact on state, prevailing brokerage fee and ROI all factors in award
  - FY’16 budget includes \$1.75 million to fund the program

## Main Street Rhode Island

- Funding to stimulate investment in local business districts
  - Grants and loans to attract new investment and jobs in Main Street districts
  - Uses include infrastructure, signage, building façade, street lighting, sidewalks, etc.
  - FY’16 budget includes \$1.0 million

# Program Summary – Phase II

## **Small Business Assistance Program**

- Provides businesses (under 200) access to capital up to \$750,000 per business
  - Potential uses include: direct lending, collateral support, credit enhancements, co-investing and technical assistance
  - FY' 16 budget includes \$5.45 million to fund this program (10% set-aside for micro-loans) \$2,000 to \$25,000

## **Industry Cluster Grants**

- Encourage industry “clusters” to share technology, knowledge, and personnel
  - Competitive startup and technical assistance grants (\$75-250K)
  - Competitive program grants (\$100-500K) to business that enhance cluster growth, effectiveness, etc.
  - FY' 16 budget includes \$750,000

## **First Wave Closing Fund**

- Gap financing for attraction, expansion or retention of jobs
  - Flexible funds needed to close critical economic development projects
  - Funds can be used to close a demonstrated “gap” or gain competitive advantage over a competing site in another state
  - FY' 16 budget includes \$5.0 million



Commerce RI

# Program Summary – Phase II

## Tax Stabilization Incentive

- Provides incentive for RI municipalities to enter into TSAs
  - Up to 10% of forgone tax revenue reimbursed to a local municipality for 12 year TSA
  - Projects must  $\geq$  \$10 million and create 50 jobs (50% for Hope Communities)

## Innovation and Network Vouchers

- Provides financial /technical resources to small businesses in innovation sectors
  - Competitive awards (\$5,000-\$50,000) to purchase R&D technical assistance from state and regional higher-ed institutions
  - FY'16 budget allocates \$500,000

## Wavemaker Fellowship

- Attract and retain talent in RI by funding student loan repayment costs
  - Four year reimbursement equal to individual's student loan obligation not to exceed: \$1,000 Associates degree, \$4,000 Bachelors, and \$6,000 grad/post-grad
  - 70% of fund dedicated to RI residents attending RI institutions
- Funding allocated for FY'16 is \$1.75 million



# Program Timeline & Launch

## •Phase I:

- Rules/Regulations Development Now – 7/24
- Board Approval July Mtg. (7/27)
- Public Comment Aug. – Sept.
- Program Launch Mid-Sept.

## •Phase II:

- Rules/Regulations Development Now – 8/21
- Board Approval August Mtg. (8/24)
- Public Comment Aug. – Sept.
- Program Launch Mid-Oct.



**EXHIBIT C**



Commerce RI

# Renewable Energy Projects for Approval

Commercial Scale Solar  
Small Scale Solar

*Hannah Morini*

*Renewable Energy Program Manager*

*Commerce RI Board Meeting*

*July 1, 2015*

# Commercial Scale Program Overview

- Eligible projects offset their electric consumption
- Must be at least 10 kW
- Awards are based on the physical size of a project
- Awards capped at \$350,000 per project

- In 2014 grants ranged from 25-45% of the total project cost

## 2015 REF Commercial Timeline

Block	Solicitation Open	Application Due
Block V	February 2, 2015	March 19, 2015
Block VI	April 8, 2015	June 2, 2015
Block VII	June 29, 2015	August 4, 2015
Block VIII	August 28, 2015	October 5, 2015
Block IX	October 23, 2015	November 30, 2015



# Commercial Scale Incentive Calculator

<b>\$1.15/W</b>	For the first 0-50kW
<b>\$1.00/W</b>	For the 2 <sup>nd</sup> 50kW (up to 100kW)
<b>\$0.85/W</b>	For the 3 <sup>rd</sup> 50kW (up to 150 kW)
<b>\$0.70/W</b>	For the 4 <sup>th</sup> 50kW (up to 200 kW)
<b>\$0.55/W</b>	For the 5 <sup>th</sup> 50kW (up to 250 kW)
<b>\$0.40/W</b>	For all installed capacity over the first 250 kW
<b>Incentives are capped at \$350,000 for a single project</b>	

## Projects Recommended for Funding

Project Name	Entity Type	Grant Amount	Total Project Cost	Grant % of total	System Size (kW)	Project Location
Lincoln School	School	\$57,316	\$209,520	27%	49.84	Providence
Quest Montessori School	School	\$57,316	\$199,450	28.7%	49.84	Narragansett
St. Michael's Country Day School	School	\$11,799	\$46,170	25.5%	10.26	Newport
The Pennfield School	School	\$27,531	\$109,748	25%	23.94	Portsmouth
Our Lady of Mount Carmel School	School	\$52,440	\$190,865	27.5%	45.6	Bristol
The Moses Brown School	School	\$107,500	\$383,000	28%	100	Providence

# Projects Recommended for Funding (Continued)

Project Name	Entity Type	Grant Amount	Total Project Cost	Grant % of total	System Size (kW)	Project Location
Herbold Meckesheim USA	Manufacturing	\$25,760.00	\$86,240.00	30%	22.4	North Smithfield
Small Axe Productions	Cafe	\$19,992.75	\$59,109.00	34%	17.385	Charlestown
The Block Island School	K-12 School	\$45,655.00	\$271,600.00	17%	39.7	Block Island
PRI Gatewood Apartments	Low Income Housing	\$82,500.00	\$199,500.00	41%	75	North Smithfield
PRI Bear Hill Village	Low Income Housing	\$182,500.00	\$532,000.00	34%	200	Cumberland
PRI Metcalf Courts	Low Income Housing	\$107,500.00	\$266,000.00	40%	100	Providence

## Projects Recommended for Funding (Continued)

Project Name	Entity Type	Grant Amount	Total Project Cost	Grant % of total	System Size (kW)	Project Location
PR1 Indian Run Village	Low Income Housing	\$212,500.00	\$665,000.00	32%	250	South Kingstown
Andrea Bond Winery	Winery	\$13,765.50	\$43,295.00	32%	11.970	Tiverton
Cranston High-West	School	\$57,316.00	\$219,250.00	26%	49.84	Cranston
St. Mary Academy-Bay View	School	\$56,672.00	\$198,450.00	29%	49.28	East Providence
Harmony Hill School	School	\$54,096.00	\$216,000.00	25%	47.04	Chepachet
<b>TOTAL</b>	-	<b>\$1,172,159.25</b>	<b>\$3,895,197</b>	-	<b>1,142.095(kW)</b>	-

## Past Commercial Scale Grant Recipients

National Security Corporation	Daniele Foods	Knight Farm
Clem's Electric Company	Baby Greens Farm	Fox Hill Farm
Teknor Apex	Bouchard Broadcasting	Greenley Horizon
Plumbers Supply Company	Cromwell Ventures	Supreme Mid-Atlantic Corp.
East Bay Self Storage	West Main Self Storage	RITBA
GD Amenity & Leasing	Vedanta Society	W. Greenwich Animal Hospital
Rocky Hill School	International Sourcing & Marketing	The Bazar Group
Apple Creek Apartments	Lepore Farm	NATCO Home Furnishings
National Marker Company	RJB Properties	Academy for Little Children
Community Preparatory School	Hillandale Farm	West Warwick High School
Meeting Street School	Arpin International Group	Whole Foods Cranston
Federal Hill House	Verve, Inc. (Glee Gum)	St Rose of Lima School

# Small Scale Program Overview

- Eligible projects offset their electric consumption
- Awards are based on the physical size of a project
- \$1.15/Watt installed
- Cap of \$10,000 per project
- Cap of \$350,000 per application

## 2015 REF Small Scale Timeline

Block	Solicitation Open	Application Due
Block V	March 5, 2015	April 17, 2015
Block VI	May 21, 2015	June 29, 2015
Block VII	August 6, 2015	September 21, 2015
Block VIII	October 23, 2015	November 25, 2015

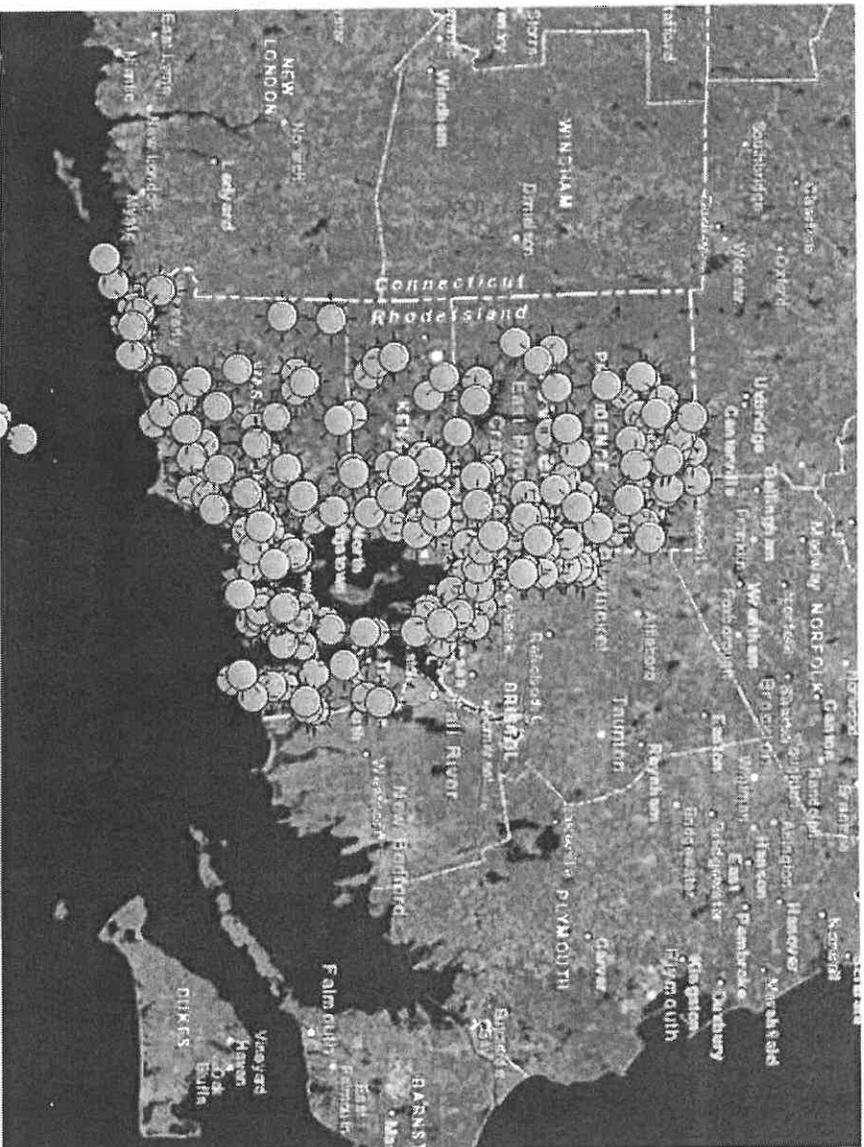


Commerce RI

## Projects Recommended for Funding

Project Name	Grant Amount	Total Project Cost	Grant % of total cost	System Size (kW)	#
Newport Solar	\$115,595.25	\$453,302.25	25.5%	108.455	16
RGS Energy	\$324,037.25	\$1,265,030.48	26%	294.605	43
Sol Power	\$102,455.00	\$352,928.00	23%	94.03	14
US Solar Works	\$10,000.00	\$72,450.00	14%	14.49	1
Newport Renewables	\$6,882.75	\$22,443.75	31%	5.985	1
SunWatt Solar	\$24,018.00	\$80,162.00	30%	21.31	3
<b>TOTAL</b>	<b>\$582,988.25</b>	<b>\$2,246,316.48</b>	<b>-</b>	<b>538.875 (kW)</b>	<b>78</b>

# Map of All REF Projects Since 2013



**EXHIBIT D**

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

**July 1, 2015**

**(With Respect to Renewable Energy Fund Matters)**

WHEREAS, the Board of Directors has received information and a presentation regarding certain Renewable Energy Fund Applications and related matters at its meeting held on July 1, 2015.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: The Corporation approves a Renewable Energy Fund grant award to Alteris Renewables, Inc., in the amount of \$324,037.25.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Sabetti Construction, Inc., in the amount of \$115,595.25.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Stateside Precision Group, LLC, in the amount of \$6,882.75.

Section 4: The Corporation approves a Renewable Energy Fund grant award to Sol Power, LLC, in the amount of \$102,455.00.

Section 5: The Corporation approves a Renewable Energy Fund grant award to SunWatt Solar, LLC, in the amount of \$24,018.00.

Section 6: The Corporation approves a Renewable Energy Fund grant award to US Solar Works, LLC, in the amount of \$10,000.00.

Section 7: The Corporation approves a Renewable Energy Fund grant award to Small Axe Productions, LLC, in the amount of \$19,992.75.

Section 8: The Corporation approves a Renewable Energy Fund grant award to Herbold Meckesheim USA – Resource Recycling Systems, Inc., in the amount of \$25,760.00.

Section 9: The Corporation approves a Renewable Energy Fund grant award to Andrea Bond d/b/a Andrea Bond Winery, in the amount of \$13,765.50.

Section 10: The Corporation approves a Renewable Energy Fund grant award to PRI Renewable Energy, LLC (Gatewood), in the amount of \$82,500.00.

Section 11: The Corporation approves a Renewable Energy Fund grant award to PRI Renewable Energy, LLC (Bear Hill), in the amount of \$182,500.00.

Section 12: The Corporation approves a Renewable Energy Fund grant award to PRI Renewable Energy, LLC (Metcalf Courts), in the amount of \$107,500.00.

Section 13: The Corporation approves a Renewable Energy Fund grant award to PRI Renewable Energy, LLC (Indian Run), in the amount of \$212,500.00.

Section 14: The Corporation approves a Renewable Energy Fund grant award to Lincoln School, in the amount of \$57,316.00.

Section 15: The Corporation approves a Renewable Energy Fund grant award to Friends of SRIMS, Inc., in the amount of \$57,316.00.

Section 16: The Corporation approves a Renewable Energy Fund grant award to St. Michaels Country Day School, in the amount of \$11,799.00.

Section 17: The Corporation approves a Renewable Energy Fund grant award to the Town of New Shoreham and/or Block Island School, in the amount of \$45,655.00.

Section 18: The Corporation approves a Renewable Energy Fund grant award to Church of our Lady of Mount Carmel, Bristol and/or Our Lady Mount Carmel School, in the amount of \$52,440.00.

Section 19: The Corporation approves a Renewable Energy Fund grant award to St. Mary Academy – Bay View, in the amount of \$56,672.00.

Section 20: The Corporation approves a Renewable Energy Fund grant award to the City of Cranston, in the amount of \$57,316.00.

Section 21: The Corporation approves a Renewable Energy Fund grant award to Harmony Hill School, Incorporated, in the amount of \$54,096.00.

Section 22: The Corporation approves a Renewable Energy Fund grant award to Pennfield School, Inc., in the amount of \$27,531.00.

Section 23: The Corporation approves a Renewable Energy Fund grant award to Moses Brown School Incorporated, in the amount of \$107,500.00.

Section 24: The Corporation amends the Renewable Energy Fund grant award to Sabetti Construction, Inc., to reflect the proper amount of \$122,855.50 and ratifies any agreement(s) entered into with said entity for an award in the amount of \$122,855.50.

Section 25: Any of the Chairperson, Vice Chairman, Secretary of Commerce, Chief of Staff, Chief Operating Officer, Chief Financial Officer and/or Managing Director of Financial Services, acting singly, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 26: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

**TAB 3**

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

**JULY 27, 2015**

**(With Respect to the Promulgation of Rules)**

**APPROVED**

**VOTED:** To approve the promulgation of rules in relation to the Rebuild Rhode Island Tax Credit Act, Rhode Island Tax Increment Financing Act of 2015, Main Street Rhode Island Streetscape Improvement Fund, Anchor Institution Tax Credit Act and the Rhode Island Qualified Jobs Incentive Act of 2015 as presented to the Board, pursuant to the Resolution attached hereto.

Dated: July 27, 2015

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

**July 27, 2015**

**(With Respect to the Promulgation of Rules)**

WHEREAS, the Board of Directors has received draft rules (the "Rules") annexed to this resolution (the "Resolution") as Exhibit A and the Board has reviewed and considered the content thereof at its meeting held on July 27, 2015.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: The Corporation hereby promulgates the Rules in the form annexed hereto as Exhibit A and authorizes the Chief Operating Officer or his designee to undertake any actions as may be required pursuant to applicable law in connection with the Corporation's adoption of the Rules including, but not limited to, fulfilling the requirements of the Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

Section 2: The Chief Executive Officer shall have the authority to amend the Rules in response to any State agency and/or public comment and shall provide a copy of any such amendments of the Rules to each member of the Board of Directors via email not less than seven days prior to the filing of the Rules with the Secretary of State.

Section 3: After compliance with the requirements of Sections 1 and 2 of this Resolution, the Chief Operating Officer or his designee shall be authorized to file the Rules with the Secretary of State and upon such filing, the Rules (as may be amended in compliance with this Resolution) shall be deemed adopted by the Corporation.

Section 4: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.



**Rhode Island Commerce Corporation**  
**in conjunction with the Rhode Island Division of Taxation**

**Rules and Regulations for the Rebuild Rhode Island Tax Credit Program**

**Rhode Island Commerce Corporation  
Rhode Island Division of Taxation  
Rules and Regulations for the Rebuild Rhode Island Tax Credit Program**

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**Rule 1. Purpose.**

Pursuant to Chapter 64.20, of Title 42 of the Rhode Island General Laws, these rules (the “Rules”) are promulgated to set forth the principles, policies and practices of the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation in implementing and administering the Rebuild Rhode Island Tax Credit Act.

**Rule 2. Authority.**

These rules and regulations are promulgated pursuant to Chapter 64.20 of Title 42 of the General Laws. These rules and regulations have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

**Rule 3. Scope.**

These Rules shall apply to any Application for an incentive under the Act. Notwithstanding anything contained in these Rules to the contrary, the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation shall, respectively, have and may exercise all general powers set forth in the Act that are necessary or convenient to effect its purposes and these Rules shall be liberally construed so as to permit the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation to effectuate the purposes of the Act and other applicable state laws and regulations. The Rhode Island Commerce Corporation, acting by and through its board of directors, may provide exemption from the application of such portion of these Rules as may be warranted by extenuating circumstances arising from such application.

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**Rule 4. Severability.**

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules shall not be affected thereby.

**Rule 5. Definitions.**

The following words and terms, when used in these Rules, shall have the following meanings, unless the context clearly indicates otherwise.

- (1) **“Act”** means Chapter 64.20 of Title 42 of the General Laws known as the Rebuild Rhode Island Tax Credit Act.
- (2) **“Adaptive Reuse”** means the conversion of an existing structure from the use for which it was constructed to a new use by maintaining elements of the structure and adapting such elements to a new use.
- (3) **“Affiliate”** means an entity that directly or indirectly controls, is under common control with, or is controlled by the Business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the tax administrator, that control exists in situations involving lesser percentages of ownership than required by those statutes. An Affiliate of a Business may contribute to meeting either the Capital Investment or Full-time Employee requirements of a Business that applies for a credit under the Act and these Rules.

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(4) **“Affordable Housing”** means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance 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.

(5) **“Allocation Agreement”** means an executed agreement among all Participants of a Pass-Through Entity, or among all Owners of a Project, setting forth the method for allocation of the Tax Credit agreed upon among the Participants or Co-owners. An Allocation Agreement may include, without limitation, a partnership agreement, an operating agreement of a limited liability company, a shareholders agreement, or any other instrument executed by all Participants or Co-owner.

(6) **“Applicant”** means a Developer applying for a tax credit under the Act and these Rules.

(7) **“Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant pursuant to the requirements of the Act and these Rules.

(8) **“Assignee”** means a Person to whom a Tax Credit Certificate is assigned pursuant to this regulation.

(9) **“Assignor”** means a holder of a Tax Credit Certificate who assigns such Tax Credit Certificate to an Assignee.

(10) **“Board”** means the board of directors of the Corporation.

(11) **“Business”** means a corporation as defined in Section 44-11-1(4) of the General Laws, or a partnership, an S corporation, a non-profit corporation, a sole proprietorship, or a

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limited liability corporation. A Business shall include an Affiliate of the Business if that Business applies for a credit based upon any Capital Investment made by an Affiliate.

(12) **“Capital Investment”** in a Project shall mean expenses by a Developer, after submission of an Application, for: site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property, including associated soft costs and the costs of relocating any former tenants; obtaining and installing furnishings and machinery, apparatus, or equipment, including, but not limited to, material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property; site-related utility and transportation infrastructure improvements including on- and off-site utility, road, pier, wharf, bulkhead or sidewalk construction or repair; plantings or other environmental components required to attain the level of silver rating or above in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System; and environmental remediation of the Project site.

In addition to the foregoing, if a Developer acquires or leases a Qualified Development Project, the capital investment made or acquired by the seller or owner, as the case may be, if pertaining primarily to the premises of the Qualified Development Project, shall be considered a capital investment by the Developer and, if pertaining generally to the Qualified Development Project being acquired or leased, shall be allocated to the premises of the Qualified Development Project on the basis of the gross leasable area of the premises occupied by the Developer in relation to the total gross leasable area in the Qualified Development Project.

(13) **“Certified Historic Structure”** means a property which is located in the State and is either (i) listed individually on the national register of historic places; (ii) listed

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individually in the state register of historic places; or (iii) located in a registered historic district and certified by either the Rhode Island Historical and Heritage Commission created pursuant to Section 42-45-2 of the General Laws or the Secretary of the Interior as being of historic significance to the district.

(14) **“Corporation”** means the Rhode Island Commerce Corporation established pursuant to Chapter 64 of Title 42 of the General Laws.

(15) **“Commercial”** shall mean non-residential development.

(16) **“Developer”** means a person, firm, business, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement qualifies for benefits under these Rules.

(17) **“Eligibility Period”** means the period in which a Developer may claim a tax credit under the Act, beginning with the tax period in which the Corporation accepts certification from the Developer that it has met the requirements of the Act and extending thereafter for a term of five (5) years.

(18) **“Equity”** means cash and Capital Investment, and can include, at the sole discretion of the Corporation, any other investment in the Project, including, but not limited to, federal or local grants, or federal tax credits; property value less encumbrances; or costs for Project feasibility incurred within a reasonable time period prior to Application. Property value within the meaning of this definition shall be the purchase price for property purchased in an arm’s length transaction within a reasonable time period prior to the date of Application or the value as determined by a current appraisal acceptable to the Corporation.

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(19) **“Full-time Employee”** means a person who is employed by a Business for consideration for a minimum of at least 35 hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the business and the professional employer organization for a minimum of 35 hours per week, or who renders any other standard of service generally accepted by custom or practice as full-time employment, and whose wages are subject to withholding.

(20) **“Gross Leasable Area”** means rentable area of Qualified Project as calculated pursuant to the measuring standards of the Project. This standard will be defined in the lease for tenant applicants. The rentable area measures the tenant’s pro rata portion of the entire office floor, including public corridors, restrooms, janitor closets, utility closets and machine rooms used in common with other tenants, but excluding elements of the building that penetrate through the floor to areas below. The rentable area of a floor is fixed for the life of a building and is not affected by changes in corridor sizes or configuration.

(21) **“Hope Community”** means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both as most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(22) **“Incentive Agreement”** means an agreement between the Corporation and an Applicant for an approved Qualified Development Project setting forth the terms and conditions of the award of incentives.

(23) **“Initial Certificate Holder”** means an Owner or Participant named by the Owner to receive the Tax Credit Certificate.

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(24) **“Mixed Use”** means a development comprising both Commercial and Residential components.

(25) **“Notification of Assignment”** means the notification filed with the Tax Division of the assignment of all or a portion the Tax Credit.

(26) **“Owner”** means a Person or Persons who qualifies for a Tax Credit in relation to a Project approved by the Commerce Corporation pursuant to the Act.

(27) **“Participant”** means a partner in a partnership, member of limited liability company, shareholder of an S-corporation, beneficial owner of a trust, or any other Person having an interest in a Pass-through Entity.

(28) **“Partnership”** means an entity classified as a partnership for federal income tax purposes.

(29) **“Pass-Through Entity”** means a partnership, limited liability company, S-corporation, association, nominee trust, or any other entity, the tax attributes of which are passed through to the Participants in such entity.

(30) **“Percentage Interest”** means the Percentage Interest in the Tax Credit allocated to an Owner, a Participant, a co-Owner of a multiple-Owner building or identifiable portion thereof, or another Person pursuant to the terms of the applicable Allocation Agreement.

(31) **“Person”** means any person, partnership, firm, corporation, (including both business and non-profit corporations), limited liability company, trust, estate, association, or other business entity.

(32) **“Placed in Service”** means the earlier of i) substantial construction or rehabilitation work has been completed which would allow for occupancy of an entire structure or some identifiable portion of a structure, as established by the Board, or ii) receipt by the

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Developer of a certificate, permit or other authorization allowing for occupancy of the Qualified Development Project or some identifiable portion of the Qualified Development Project by the municipal or state authority having jurisdiction.

(33) **“Project”** means a specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a Developer, owner or tenant, or both, within a Project Area as set forth in an Application to be made to the Corporation.

(34) **“Project Area”** means land or lands under common ownership or control in which a Qualified Development Project is located.

(35) **“Project Cost”** means costs incurred in connection with the Qualified Development Project by the Applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the Corporation, including, but not limited to, lands, buildings, improvements, real and personal property or any interest therein, including the site, space or air rights, acquired, owned, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, and any environmental remediation costs, plus reasonable soft costs as determined by the Corporation, and ancillary infrastructure projects and infrastructure improvements, as permitted in the sole discretion of the Corporation.

(36) **“Project Financing Gap”** means

(i) The 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

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reasonable assumption of debt on the Project, and any other capital source that is reasonably available given the nature of the Project; or

(ii) The amount of funds that the State may invest in a Qualified Development Project to gain a competitive advantage over a viable comparable location in another state by means described in the Act and Rules.

(37) **“Qualified Development Project”** shall mean any Project meeting the requirements of the Act and these Rules.

(38) **“Rebuild Rhode Island Tax Credit”** or **“Tax Credit”** means the tax credit permitted under the Act.

(39) **“Rebuild Rhode Island Tax Credit Fund”** means the fund established pursuant to Section 42-64.20-7 of the General Laws.

(40) **“Recognized Historical Structure”** means a property which is located in the State and is commonly considered to be of historic or cultural significance as determined by the Corporation in consultation with the State Historic Preservation Officer.

(41) **“Residential”** means a development of residential dwelling units.

(42) **“State”** means the State of Rhode Island and Providence Plantations.

(43) **“Targeted Industry”** means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant section 42-64.17-1 of the General Laws or, until such time as any such economic development vision and policy is promulgated, as identified by the Corporation from time to time and published on the Corporation’s website.

(44) **“Tax Credit Certificate”** or **“Certificate”** means a certificate issued by the Tax Division to the Owner of a Project who has received a Certification from the Commerce

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Corporation substantiating compliance with an Incentive Agreement and entitlement to the issuance of Tax Credits under the Act. If the Owner is a Pass-Through Entity, a Tax Credit Certificate may be issued to each Participant in the Pass-Through Entity. The Certificate shall specify the amount of the Tax Credit allocable to such Participant, determined pursuant to this Regulation.

(45) **“Tax Division”** means the Rhode Island Division of Taxation.

(46) **“Transit Oriented Development Area”** means (a) an area within one half (1/2) of one mile of an airport, a passenger rail station, a passenger ferry stop, a bus rapid transit stop, a bus terminal, or a streetcar stop; or (b) an area within one quarter (1/4) of one mile of the intersection of two or more bus routes that is surrounded by an existing or proposed multi-family development or an existing or proposed commercial development.

(47) **“Workforce Housing”** means housing for sale or rent with combined rental costs or combined mortgage loan debt service, property taxes, and required insurance 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.

**Rule 6. Eligibility**

(a) In order for a Commercial Development project to be eligible to be considered for a Rebuild Rhode Island Tax Credit:

(1) The total Project Cost must be \$5,000,000 or more, unless the Project is located in a Hope Community or a redevelopment area designated as such in accordance with Section 45-

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32-4 of the General Laws, in which event the Corporation shall have the discretion to permit the total Project Cost to be less than \$5,000,000;

(2) The Project consists of at least 25,000 square feet;

(3) The Project, after being Placed In Service, is occupied by one or multiple

Businesses employing at least 25 Full-Time Employees;

(4) The Applicant's Equity in the Project is not less than twenty percent (20%) of the total Project Cost.

(5) There is a Project Financing Gap such that the Project is not likely to be accomplished by private enterprise.

(b) In order for a Residential Development project to be eligible to be considered for a Rebuild Rhode Island Tax Credit:

(1) The Project must be located in a Hope Community;

(2) The total Project Cost must be \$5,000,000 or more, unless the Corporation in its discretion permits the total Project Cost to be less than \$5,000,000;

(3) The Project must consist of at least 20,000 square feet and contain at least 20 residential units;

(4) The combined total of the Applicant's Equity in the Project is not less than twenty percent (20%) of the total Project Cost; and

(5) There is a Project Financing Gap such that the Project is not likely to be accomplished by private enterprise.

(c) In order for a Mixed Use Development project to be eligible to be considered for a Rebuild Rhode Island Tax Credit:

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(1) The total Project Cost must be \$5,000,000 or more, unless the Project is located in a Hope Community or a redevelopment area designated as such in accordance with Section 45-32-4 of the General Laws, in which event the Corporation shall have the discretion to permit the total Project Cost to be less than \$5,000,000;

(2) The Project consists of at least 25,000 square feet;

(3) The Applicant's Equity in the Project is not less than twenty percent (20%) of the total Project Cost; and

(4) There is a Project Financing Gap such that the Project is not likely to be accomplished by private enterprise.

(d) Notwithstanding any of the requirements set forth in Subsections (a) through (c) of this Section, in order for a development project that qualifies for a tax credit pursuant to chapter 33.6 of title 44 of the general laws to be eligible to be considered for a Rebuild Rhode Island Tax Credit:

(1) The combined total of the Applicant's Equity in the Project and Capital Investment in the Project made, acquired, or leased by the Applicant is not less than twenty percent (20%) of the total Project Cost; and

(2) There is a Project Financing Gap in which, after taking into account all available private and public funding sources, the Project is not likely to be accomplished by private enterprise.

(e) Prior to awarding any incentive under the Act, the Corporation may, in its discretion, require any Applicant to obtain a tax stabilization agreement from the municipality in which the Project is located on such terms as the Corporation deems acceptable.

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**Rule 7. Tax Credit Amount**

(a) A Tax Credit allowed pursuant to the Act and these Rules shall not exceed Fifteen Million Dollars (\$15,000,000) for any Qualified Development Project. No building or Qualified Development Project to be completed in phases or in multiple projects shall exceed the maximum project credit of Fifteen Million Dollars (\$15,000,000) for all phases or projects involved in the rehabilitation of such building.

(b) Tax Credits available under the Act and these Rules shall not exceed twenty percent (20%) of the Project Cost, provided, however, that the Applicant shall be eligible for additional Tax Credits of not more than ten percent (10%) of the Project Cost, if the Qualified Development Project meets any of the following criteria:

(1) The Project includes Adaptive Reuse or development of a Recognized Historical Structure;

(2) The Project is undertaken by or for a Targeted Industry;

(3) The Project is located in a Transit Oriented Development Area;

(4) The Project includes Residential development of which at least twenty percent (20%) of the Residential units are designated as Affordable Housing or Workforce Housing;

(5) The Project includes the Adaptive Reuse of property subject to the requirements of the industrial property remediation and reuse act, sections 23-19.14-1, et seq. of the General Laws;

(6) The Project includes Commercial facilities constructed in accordance with the minimum environmental and sustainability standards, as certified by the Corporation pursuant to LEED or other equivalent standards; or

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(7) Such other additional criteria determined by the Corporation from time to time in response to evolving economic or market conditions, which additional criteria shall be published not less than annually on the Corporation's website commencing not later than December 31, 2015.

(c) The amount of a Tax Credit allowed shall be allowable to the taxpayer in up to five annual increments; no more than thirty percent (30%) and no less than fifteen percent (15%) of the total credits allowed to a taxpayer may be allowable for any taxable year.

(d) Not more than fifteen percent (15%) of the annual amount appropriated in any fiscal year may be awarded to Applicants seeking Tax Credits pursuant to Rule 6(d).

(e) A Qualified Development Project eligible to receive a Tax Credit under the Act and these Rules may, at the discretion of the Corporation, be exempt from sales and use taxes imposed on the purchase of the following classes of personal property only to the extent utilized directly and exclusively in such Qualified Development 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 Qualified Development Project.

**Rule 8. Application.**

(a) Each Application made by an Applicant shall include the following information in an application format prescribed by the Corporation:

- (1) The name, address and principal contact for the Applicant;
- (2) State and Federal tax identification numbers;
- (3) The location of the Project;

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(4) A description of the experience developing and/or operating projects similar to the proposed Project of the Applicant and of the personnel primarily responsible for the Project;

(5) A business plan and market study for the Project detailing major risks, business drivers and financial opportunity, unless determined by the Corporation to be unnecessary given the nature of the Project;

(6) A description and assessment of the Project's catalytic impact;

(7) For a Commercial or Mixed Use Project, identification of prospective businesses that will occupy the Project, type of businesses and principal products and services (if applicable or known);

(8) For a Residential or Mixed Use Project, a description of unit sizes/layouts, projected sales/lease pricing and affordability mix;

(9) The status of control of the entire Project Area shown for each block and lot as indicated on the municipal assessor's tax map(s);

(10) A construction schedule for the Project or each phase of the Project;

(11) A detailed itemization of the estimated Project Costs;

(12) A detailed description of the financing for the Project including all sources and amounts of funding, projected internal rate of return, net margin, return on investment and cash on cash yield;

(13) The total dollar amount of the Tax Credits requested, as well as a schedule of the allocation of that total over the five-year Eligibility Period.

(14) A pro forma demonstrating that the Project is likely to be realized with the provision of the credits requested but is not likely to be accomplished in this State by private enterprise without the Tax Credits;

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(15) A list and status of all required Federal, State and/or municipal approvals and/or permits required for the Project;

(16) A delineation of any other federal, State or local incentives, grants, tax credits or other aid that will or may be received or requested by the Applicant or an Affiliate of the Applicant in relation to the Project;

(17) Whether the Applicant has obtained a tax stabilization agreement from the municipality in which the Project is located or, if applicable, the unavailability of a tax stabilization agreement despite commercially reasonable efforts by the Applicant to obtain such an agreement and a description of such efforts;

(18) If the Applicant seeks a Tax Credit in excess of 20% of the total Project Cost, documentation sufficient to demonstrate that the Project satisfies one or more of the criteria set forth in Rule 7(b) of these Rules; and

(19) Such other information as the Corporation deems appropriate or necessary in connection with a particular Project; and

(b) The Applicant shall also require a certification from the Applicant's chief executive officer or equivalent officer as to the following:

(1) The Applicant has committed Equity in not less than twenty percent (20%) of the total Project Cost;

(2) A Project Financing Gap exists on the Project; and

(3) The Project meets the eligibility criteria set forth in Rule 6 of these Rules for approval by the Board as a Qualified Development Project.

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**Rule 9. Fees.**

(a) An Applicant may be charged a one-time, non-refundable application fee by the Corporation and fees for ongoing administration in relation to the Project if approved by the Board. The Corporation shall annually publish a fee schedule on its website commencing on or before December 31, 2015.

(b) An Applicant may be required to pay to the Corporation the full amount of direct fees and costs paid to third-parties by the Corporation in relation to the consideration and/or approval of the Applicant's Project.

**Rule 10. Review Process.**

(a) Each Application shall be reviewed to confirm compliance with the Act and these Rules, and the Corporation may reject any incomplete or deficient Application.

(b) The Corporation may require the submission of additional information in connection with any Application or the revision of an Application, and may permit the resubmission of an Application rejected as being incomplete or deficient.

(c) Prior to recommending a Project to the Board for receipt of an incentive, the Corporation shall review each Project to determine if a Project Financing Gap exists. This review shall include testing the validity of the Applicant's financial information and assumptions through the use of financial models and, to the extent necessary, seeking input from third-party consultants.

(d) After submission of a complete Application and review by the Corporation in accordance with the requirements of the Act and these Rules, the Corporation will determine whether to recommend to the Board that it approve a Tax Credit for the Applicant and the

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amount of the Tax Credit. In developing a recommendation, the Corporation may take into account, in consideration with other factors deemed relevant by the Corporation:

- (1) The evaluation of the Applicant's pro forma;
  - (2) The catalytic impact of the Project;
  - (3) The Project's relationship to other Projects awarded or anticipated to be awarded under these Regulations and the Act;
  - (4) Whether the Project furthers State or municipal planning and development objectives, or both;
  - (5) Whether the Project maximizes the value of vacant, dilapidated, outmoded, or underutilized property; and
  - (6) Whether there exists an opportunity for the State or the Corporation to recoup or receive a return on all or portion of the sales tax exemption or Tax Credits to be issued to Applicant by virtue of a receipt of an equity stake or other interest in or return from the Project.
- (e) If the Corporation determines that it will not recommend a complete Application to the Board for approval of an incentive, it shall notify the Applicant in writing of such decision.
- (f) The Corporation may set periodic Application deadlines that will be published on the Corporation's web site from time to time.

**Rule 11. Discretion and Judicial Review.**

- (a) The Corporation shall not have any obligation to make any award or grant any benefits under the Act or these Rules.
- (b) A review of an Application shall not constitute a "contested case" under the Administrative Procedures Act, section 42-35-9 of the General Laws, and no opportunity to

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object to an Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation or the Board in connection with any Application.

**Rule 12. Board Approval.**

(a) Prior to Board consideration for approval of any Qualified Development Project the following conditions shall be satisfied:

(1) The Chief Executive Officer of the Corporation has provided written confirmation to the Board (i) that the Corporation has reviewed the Application, negotiated an Incentive Agreement, and of any determination regarding the potential impact on the Qualified Development Project's ability to stimulate business development, retain and attract new business and industry to the state; create jobs, including good-paying jobs, for its residents; assist with business, commercial and industrial real estate development and generate revenues for necessary state and local government services; and (ii) indicating the total credits to be awarded to the Applicant;

(2) The Secretary of Commerce has provided written confirmation to the Board that the recommendation provided to the Chief Executive Officer is consistent with the purposes of the Act; and

(3) The Director of the Office of Management and Budget has provided (i) written confirmation to the Board that the total credits recommended by the Corporation do not exceed the existing and anticipated revenue capacity of the State and its funding commitment described in section 42-64.20-7 of the General Laws; and (ii) an analysis of the fiscal impact, if any, in the year of Application and any subsequent year.

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(b) Within thirty (30) days after satisfaction of the requirements of Rule 12(a) of these Rules, or such later date as the next meeting of the Board is convened, the Board shall undertake review and consideration of the approval of the award of incentives for the Qualified Development Project.

(c) In addition to those findings required under section 42-64-10 of the General Laws, the Board shall make the following findings in connection with approval of any award of incentives under the Act and these Rules:

(1) The Applicant's Equity is not less than twenty percent (20%) of the total Project Cost and otherwise meets the total Project Cost criteria of the Act;

(2) That there is a Project Financing Gap for the Project in which after taking into account all available private and public funding sources, the Qualified Development Project is not likely to be accomplished by private enterprise without the incentives described in the Act and these Rules;

(3) That for tax credit awards the total amount of tax credits is the lesser of thirty (30%) of the total Project Cost or the amount needed to close the Project Financing Gap;

(4) That for any tax credit awarded in excess of twenty percent (20%) of the Project Cost, the Qualified Development Project meets the criteria established by the Act, these Rules and/or the Board for such additional tax credits together with a delineation of the amount of additional tax credits awarded broken down by each qualifying criteria as may be applicable to the Qualified Development Project;

(5) That the Chief Executive has provided written confirmation required by the Act;

(6) That the Secretary of Commerce has provided written confirmation required by the Act; and

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(7) That the Office of Management and Budget has provided the written confirmation required under the Act.

**Rule 13. Incentive Agreement.**

Upon approval of the Application and in order to safeguard the expenditure of public funds and ensure that the disbursement of funds furthers the objectives of the Act by the Corporation and the Applicant will enter into Incentive Agreement negotiations, which shall include, among others, the following terms:

- (a) The maximum amount and type of incentives awarded;
- (b) The incentives shall not be issued prior to the Qualified Development Project being Placed in Service
- (c) Evidence that the Applicant is in good standing with the Secretary of State and Division of Taxation at the time of execution of the Incentive Agreement; good standing with the Division of Taxation shall include evidence that all taxes are current or that the Applicant is current on a workout agreement with the Division of Taxation;
- (d) A provision that the incentives shall be allowed in five annual increments and setting forth the annual increments in which they will be delivered;
- (e) If applicable, a provision requiring that the receipt of Tax Credits for any given year be subject to the Applicant meeting any job creation or retention requirements or any other conditions that the Corporation, in its sole discretion, shall set as a condition of its approval of Tax Credits for the Applicant;
- (f) Default and remedies including events, if any, that would trigger forfeiture, revocation and/or repayment of the awarded incentives;

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- (g) Indemnification, insurance and other customary protective requirements;
- (h) Reporting requirements including, but not limited to, any requirements under the Act;
- (i) The imposition of such restrictions or covenants upon the Qualified Development Project as may be necessary to ensure continued compliance with the Act and the Rules;
- (j) At the Corporation's discretion, a provision requiring the Applicant to pay the Corporation's reasonable attorneys' fees incurred in connection with the negotiation, execution and enforcement of the Incentive Agreement;
- (k) A certification procedure, which shall include, but not be limited to, the following:
  - (1) Representations that the Qualified Development Project complies with all applicable laws and regulations;
  - (2) Evidence that the Applicant is in good standing with the Secretary of State and the Division of Taxation at the time the Applicant files its certification for issuance of incentives; good standing with the Division of Taxation shall include evidence that all taxes are current or that the Applicant is current on a workout agreement with the Division of Taxation;
  - (3) A requirement that the Applicant submit, prior to issuance of any incentive, satisfactory evidence of actual Project Costs, as certified by a certified public accountant. If the actual Project Costs are less than the estimated Project Costs forming the basis for the approval of the awarded incentives, then the awarded incentives shall be reduced based upon the actual Project Costs;
  - (4) Evidence that the Qualified Development Project has been Placed in Service and/or meets such other criteria as imposed by the Board in its approving resolution; and

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(5) If applicable, evidence that the Applicant has met any additional job creation or retention requirements or any other conditions that the Corporation, in its sole discretion, set as a condition of its approval of Tax Credits for the Applicant

**Rule 14. Certification.**

(a) Upon the Project being Placed In Service, the Applicant shall submit a certification of a certified public accountant, which shall be made pursuant to procedures set forth in the Incentive Agreement, evidencing that the Applicant has satisfied the conditions relating to the Project Costs, Applicant's Equity contribution, and any other requirements of the Incentive Agreement.

(b) The Corporation may seek reasonable additional information from the Applicant to support the Certification.

(c) Once the Corporation accepts the certification of the Applicant that it has satisfied the Project Costs, Applicant's Equity contribution, and any other applicable requirements of the Incentive Agreement, the Corporation shall issue a Certification to the Applicant providing that the Applicant is entitled to a Tax Credit for a specified year or years in an amount determined pursuant to the Incentive Agreement.

(d) The Applicant shall that submit the Certification to the Division of Taxation and shall than receive a Tax Credit for the amount and tax year specified in the Certification.

(e) To the extent required in the Incentive Agreement, the Applicant shall, for each tax year in the Eligibility Period following the year of initial Certification, submit documentation, in a form prescribed in the Incentive Agreement, indicating that it has met any applicable requirements specified in the Incentive Agreement for that year.

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(f) In accordance with a procedure set forth in the Incentive Agreement, the amount of the annual Tax Credit otherwise available shall be reduced, or the Tax Credit for the given year be entirely forfeited, if the Applicant fails to meet any applicable requirements set forth in the Incentive Agreement for the given year.

**Rule 15. Issuance of Tax Credit Certificates**

(a) Upon the presentation to the Tax Division of a Certification from the Commerce Corporation substantiating compliance with the terms of an Incentive Agreement, the Tax Division shall issue a Tax Credit Certificates to the Owner or any eligible Initial Certificates' holder in the amounts and for the years as agreed to by the Commerce Corporation under the requirements of Section 42-64.20-5(g). If the Owner or the Participant is a Pass-Through Entity, or if there are multiple Owners, the Tax Division may issue a Tax Credit Certificate to each Participant in such Pass-Through Entity or each Owner, indicating on the face of such Certificate(s) the amount of the Tax Credit allocable to such Participant. The amount assigned to each Participant will be the amount represented in the application for issuance of Tax Credit Certificates presented to the Tax Division.

(b) The amount allocated to each Participant on the Tax Credit Certificate issued to such Participant must be either (i) in proportion to the number of Participants in the Owner or (ii) determined in accordance with any allocation method set forth in an executed Allocation Agreement, which may be without regarding to their sharing of other tax or economic attributes of such entity. The Tax Division shall have no obligation to confirm the amount stated for each Participant in the Allocation Agreement.

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**Rule 16. Assignment of Tax Credits.**

(a) A Tax Credit Certificate may be assigned to any Person, provided that no Credit has been claimed based on the Tax Credit Certificate being assigned. The Tax Credit Certificate may be assigned by endorsing the assignment clause set forth on the Certificate and delivery of the original Certificate to the Assignee.

(b) The Assignee may use the Tax Credit only to offset the tax imposed for the taxable year in which the Credit is issued or for taxable years to which the Credit is permitted to be carried forward.

(c) An original executed copy of the Tax Credit Certificate shall be attached to the tax return of the Owner, Participant or Assignee who desires to claim the Credit. A Participant of a Pass-Through Entity who transfers its interest in the entity must also endorse and deliver the Tax Credit Certificate to the transferee if the transferee desires to claim the Tax Credit.

(d) An Assignor of all or any portion of the Tax Credit, shall notify the Tax Division in writing within thirty (30) calendar days following the effective date of such assignment.

Attached to such written notification (the Notification of Assignment) shall be:

(1) A copy of the Tax Credit Certificate, endorsed to the Assignee. The original Certificate shall not be included with the Notification of Assignment, which must be retained by the Assignee and attached to the Assignee's tax return for the year with respect to which the Tax Credit is claimed.

(2) The name, address and telephone number of the Assignor and of the Assignee.

(3) The taxpayer identification number or social security number of the Assignor and the Assignee.

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(4) For non-resident corporations, partnerships, limited liability companies, or other entities, the name and address of such entity's registered agent in the State and evidence of qualification to do business in the State.

(e) If the holder of a Tax Credit Certificate desires to assign its interest in the Credit to more than one Assignee, the holder must request the Tax Division to reissue the original Certificate in such number of Certificates as the holder requires. The request must be made in writing, must specify the number of new Certificates required and the amount to be specified on each Certificate, and must attach the Original Certificate for cancellation by the Tax Division.

(f) The Assignor of all or a portion of the Tax Credit shall not recognize any state income tax under the provisions of Title 44 of the Rhode Island General Laws with respect to the proceeds of such assignment. The Assignor of any Credit shall attach a copy of the Tax Credit Certificate to its tax return to evidence that such proceeds are not subject to state income tax. If the Tax Credit is subsequently recaptured, revoked or adjusted, the Assignor's tax calculation for the year of revocation, recapture, or adjustment shall be increased by the total amount of the sales proceeds, if any, without proration, as a modification under Title 44, Chapter 30 of the Rhode Island General Laws. In the event that the Assignor is not a natural person, the Assignor's tax calculation under chapters 11, 12, 13 (other than with respect to the tax imposed under section 44-13-13), 14, 17, or 30 of title 44, as applicable, for the year of revocation, recapture, or adjustment, shall be increased by including the total amount of the sales proceeds, if any, without proration.

(g) The Tax Division may assess reasonable administrative fees for issuing multiple Tax Credit Certificates or for reissuing Certificates.

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**Rule 17. Redemption of Tax Credits.**

(a) Upon request of a taxpayer holding a valid Tax Credit Certificate, the Tax Division shall redeem such credit in whole or in part for ninety percent (90%) of the value of the Tax Credit to the extent of available funds in the Rebuild Rhode Island Tax Credit Fund.

(b) A taxpayer seeking redemption of a Tax Credit shall file an application on the form prescribed by the Tax Division together with the original Tax Credit Certificate. The Tax Division shall pay the redemption amount within thirty (30) days of submission of a complete application by the taxpayer to the extent of available funds in the Rebuild Rhode Island Tax Credit Fund. To the extent of any insufficiency of funds in the Rebuild Rhode Island Tax Credit Fund, the Tax Division shall either return the original Tax Credit Certificate to the taxpayer or issue a new Tax Credit Certificate for such partial amounts that are not redeemed by the Tax Division.

**Rule 18. Revocation.**

(a) In the event that the any certification or information provided by the Applicant or Applicant's chief executive officer, or equivalent officer, required under these Rules is found to be willfully false, upon notice from the Corporation, the Tax Division shall deny the issuance of or revoke any award of Tax Credits in their entirety, which revocation shall be in addition to any other criminal or civil penalties that the Applicant and/or the officer may be subject to under applicable law.

(b) Upon notice from the Corporation, the Tax Division shall deny the issuance of or revoke any award of Tax Credits if an Applicant or its successor-in-interest is convicted of bribery, fraud, theft, embezzlement, misappropriation, and/or extortion involving the state, any

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state agency or political subdivision of the state.

(c) Upon notice from the Corporation of a breach of an Incentive Agreement, the Tax Division shall deny the issuance of or revoke the Tax Credit Certificate and any fees paid shall be forfeited.

(d) The Tax Division shall notify the Applicant or its successor-in-interest in writing of the revocation of Tax Credits and/or that its right to receive Tax Credits has been terminated.

(e) If any Tax Credits have been claimed by any taxpayer based upon a Tax Credit Certificate that has been revoked, the Applicant or its successor-in-interest shall pay to the Tax Division an amount equal to the Tax Credit claimed. There shall be no adjustment to the Tax Credit claimed by the taxpayer if a taxpayer acquired the Tax Credit Certificate, directly or indirectly, from the Applicant or a Participant in the Applicant in an arms-length transaction, for value, and without notice of violation, fraud or misrepresentation.

(f) The Corporation may provide for additional rights and remedies in any Incentive Agreement, which will be in addition to the rights of revocation and termination provided under this Rule.

**Rule 19. Administration and Examination of Records.**

(a) The Tax Division and its agents, for the purpose of ascertaining the correctness of any Credit claimed under the Act, may examine any books, paper, records or memoranda bearing upon the matters required to be included in the return, report or other statement, and may require the attendance of the Person executing the return, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other Person, and may examine the Person under oath respecting any matter which the Tax Division or its agents deems pertinent or

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material in determining eligibility for Credits claimed, and may request information from the Corporation, and the Corporation shall provide such information in all cases, to the extent not otherwise prohibited by statute.

(b) The Corporation may examine any books, paper, records or memoranda bearing upon the approval of incentives awarded under the Act, and may require the attendance of any person executing any Application, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine such person under oath respecting any matter which the Corporation deems pertinent or material in determining eligibility for incentives claimed under the Act.

**Rule 20. Inspection Rights.**

The Corporation and Tax Division shall have the right at reasonable times to make an inspection and to enter upon any property that is the subject of an Application during the term of an Incentive Agreement to verify compliance with the Act, the Rules and such other conditions imposed by the Corporation.



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**Rule 1. Purpose.**

Pursuant to Chapter 64.21, of Title 42 of the Rhode Island General Laws, these rules (the "Rules") are promulgated to set forth the principles, policies and practices of the Rhode Island Commerce Corporation in implementing and administering the Rhode Island Tax Increment Financing Act of 2015 ("Act").

**Rule 2. Authority.**

These rules and regulations are promulgated pursuant to Chapter 64.21 of Title 42 of the General Laws. These rules and regulations have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

**Rule 3. Scope.**

These Rules shall apply to any Application for an incentive under the Act. Notwithstanding anything contained in these Rules to the contrary, the Rhode Island Commerce Corporation shall have and may exercise all general powers set forth in the Act that are necessary or convenient to effect its purposes and these Rules shall be liberally construed so as to permit the Rhode Island Commerce Corporation to effectuate the purposes of the Act and other applicable state laws and regulations. The Rhode Island Commerce Corporation, acting by and through its board of directors, may provide exemption from the application of such portion of these Rules as may be warranted by extenuating circumstances arising from such application.

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**Rule 4. Severability.**

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules shall not be affected thereby.

**Rule 5. Definitions.**

(1) **“Act”** means Chapter 64.21 of Title 42 of the General Laws known as the Rhode Island Tax Increment Financing Act of 2015.

(2) **“Airport District”** means the area within a one-mile radius of the outermost boundary of T.F. Green State Airport located in Warwick, Rhode Island.

(3) **“Annual TIF Payment”** means that portion of the Total TIF Payment that an Applicant receives in a given year.

(4) **“Applicant”** means a Developer proposing to enter into a TIF Agreement.

(5) **“Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant pursuant to the requirements of the Act and these Rules.

(6) **“At Risk Business”** shall mean a business at substantial risk of moving to a viable location out-of-state as verified by the Corporation.

(7) **“Board”** means the board of directors of the Corporation.

(8) **“Contiguous”** means any area of land that is adjacent to the Project Area; land may be considered contiguous irrespective of property boundaries or any road, waterway, right-of-way, easement, railroad track, marshland, or utility line.

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(9) **“Corporation”** means the Rhode Island Commerce Corporation established pursuant to Chapter 64 of Title 42 of the General Laws.

(10) **“Developer”** means a person, firm, corporation, partnership, association, political subdivision, or other entity that proposes to divide, divides, or causes to be divided real property into a subdivision or proposes to build, or builds a building or buildings or otherwise improves land or existing structures, which division, building, or improvement qualifies for benefits under the Act.

(11) **“Eligible Revenue”** means the Incremental Revenues from taxes assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the General Laws or realized from such venue ticket sales or parking taxes as may be established and levied under state law as set forth in section 42-64.21-5 of the Act.

(12) **“Existing Revenue at Substantial Risk of Loss”** means revenue resulting from the retention of one or more At Risk Businesses located in a Qualified Development Project as determined by calculating the difference between the Revenue Increment Base of the Qualifying TIF Area with the At Risk Business(es) against that Revenue Increment Base without the At Risk Business(es). The calculation of the Revenue Increment Base without the At Risk Business(es) shall exclude not only the revenue generated from the At Risk Business(es) but shall also exclude the revenue generated from any business(es) that are at a substantial risk of closing or leaving the State if the At Risk Business(es) close or leave the State.

(13) **“Hope Community”** means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the state five (5) year average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of the Census.

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(14) **“Incremental Revenue”** means (i) Net New Revenue to the State, or (ii) Existing Revenue at Substantial Risk of Loss to the State.

(15) **“Industrial Park”** means a property-based venture zoned and planned for the purpose of industrial development.

(16) **“Net New Revenue”** means the actual net revenue resulting from of a Qualified Development Project as determined for any given year by subtracting the Revenue Increment Base for a Qualifying TIF Area from the total net revenues generated in the Qualifying TIF Area in that given year.

(17) **“Placed in Service”** means the earlier of i) a determination by the Corporation that substantial construction or rehabilitation work has been completed which would allow for occupancy of an entire structure or some identifiable portion of a structure, or ii) receipt by the Developer of a certificate, permit or other authorization allowing for occupancy of the Qualified Development Project or some identifiable portion of the Qualified Development Project by the municipal or state authority having jurisdiction.

(18) **“Port District”** means such areas that are within one mile of the Port of Davisville, Port of Providence, Port of Newport, or Port of Galilee.

(19) **“Project Area”** means land or lands under common ownership or control as certified by the Corporation.

(20) **“Project Cost”** means costs incurred in connection with the Qualified Development Project by the Applicant until the issuance of a permanent certificate of occupancy, or until such other time specified by the Corporation, including, but not limited to, lands, buildings, improvements, real and personal property or any interest therein, including the site, space or air rights, acquired, owned, developed or redeveloped, constructed, reconstructed,

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rehabilitated or improved, and any environmental remediation costs, plus reasonable soft costs as determined by the Corporation, and ancillary infrastructure projects and infrastructure improvements, as permitted in the sole discretion of the Corporation.

(21) **“Project Financing Gap”** means

(i) The 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; or

(ii) The amount of funds that the State may invest in a Qualified Development Project to gain a competitive advantage over a viable comparable location in another state by means described in the Act and Rules.

(22) **“Qualified Development Project”** means a specific construction project or improvement, including lands, buildings, improvements, real and personal property or any interest therein, including lands under water, riparian rights, space rights and air rights, acquired, owned, leased, developed or redeveloped, constructed, reconstructed, rehabilitated or improved, undertaken by a developer, owner or tenant, or both, within a specific geographic area, meeting the requirements of the Act, as set forth in the Application made to the Corporation.

(23) **“Qualifying TIF Area”** shall mean an area containing a Qualified Development Project identified by the Corporation as a priority because of its potential to generate, preserve or otherwise enhance jobs or its potential to produce, preserve or otherwise enhance housing units. The Corporation shall take into account the following factors in determining whether a Qualified Development Project is a priority:

(i) Generation or preservation of manufacturing jobs;

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- (ii) Promotion of Targeted Industries;
- (iii) Location in a Port District or Airport District;
- (iv) Location in an Industrial or Research Park;
- (v) Location in a Transit Oriented Development Area;
- (vi) Location in a Hope Community;
- (vii) Location in an area designated by a municipality as a Redevelopment Area; and
- (viii) Location in an area located within land approved for closure under any federal commission on base realignment and closure action.

(24) **“Redevelopment Area”** means an area designated as a redevelopment area in accordance with section 45-32-4 of the General Laws.

(25) **“Revenue Increment Base”** means the amounts of all Eligible Revenues from sources within the Qualifying TIF Area in the calendar year preceding the year in which the TIF Agreement is executed, as certified by the Division of Taxation.

(26) **“Research Park”** a property-based venture consisting of primarily research and development facilities intended to encourage technology-led economic development that is associated with one or more institutions of higher learning.

(27) **“Request for Authorization”** means a request by a Developer to the Corporation for Authorization to submit an Application for a TIF Incentive.

(28) **“State”** means the State of Rhode Island and Providence Plantations.

(29) **“Targeted Industries”** means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant section 42-64.17-1 of the General Laws or, until such time as any such economic development vision

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and policy is promulgated, as identified by the Corporation from time to time and published on the Corporation's website.

(30) **"TIF Agreement"** means an agreement between the Corporation and a Developer, under which, in exchange for the benefits of the funding derived from qualification under the Act and these Rules, the Developer agrees to perform any work or undertaking necessary for a Qualified Development Project, including the clearance, development or redevelopment, construction, or rehabilitation of any structure or improvement of commercial, industrial, or residential property; public infrastructure; preexisting municipally-owned stadium of 10,000 seats or greater; or utilities within a qualifying TIF Area.

(31) **"TIF Incentive"** means any incentive awarded by the Corporation under the Act and these Rules.

(32) **"TIF Fund"** means a dedicated fund established at the Corporation for the purpose of depositing funds received from significant taxpayers as provided under the provisions of the Act.

(33) **"Total TIF Payment"** means reimbursement of all or a portion of the Project Financing Gap of a Qualified Development Project from the Division of Taxation as provided under the Act and these Rules.

(34) **"Transit Oriented Development Area"** means (a) an area within one half (1/2) of one mile of an airport, a passenger rail station, a passenger ferry stop, a bus rapid transit stop, a bus terminal, or a streetcar stop; or (b) an area within one quarter (1/4) of one mile of the intersection of two or more bus routes that is surrounded by an existing or proposed multi-family development or an existing or proposed commercial development.

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**Rule 6. Eligibility.**

(a) In order to be eligible for a TIF Incentive the following requirements shall be satisfied:

- (1) The project must be located in a Qualifying TIF Area;
- (2) A Project Financing Gap exists;
- (3) The project is (i) a new facility and not a replacement or relocation of an existing facility already located in the State; (ii) an expansion of an existing facility that will increase the number of Full-time Employees in the State; or (iii) necessary to retain an existing facility with one or more At Risk Businesses; and
- (4) The Applicant must enter into a TIF Agreement with the Corporation on or before December 31, 2018.

(b) The Developer of a Qualified Development Project may be eligible for receipt of payment of a portion of the incremental state revenues directly realized from projects or businesses operating in the Qualifying TIF Area from the taxes assessed and collected under chapters 11, 13, 14, 17, 18, 19, and 30 of Title 44 of the general laws or realized from such venue ticket sales or parking taxes as may be established and levied under state law.

**Rule 7. Request for Authorization.**

(a) No Application can be filed for a TIF Incentive without written authorization from the Corporation.

(b) The Corporation may authorize Developers to file an Application for a TIF Incentive through a public request for proposal process; may authorize a Developer who has applied for an economic development incentive under another program administered by the

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Corporation to supplement that application by filing an Application under the TIF Incentive program; and the Corporation may authorize a Developer to apply for a TIF Incentive upon receipt of a Request for Authorization from the Developer, in the form promulgated by the Corporation, which shall

(1) demonstrate that a TIF incentive is appropriate for the Developer's Project because no alternative method of private or public financing, including any and all federal, state, and local grants, incentives, or tax abatements, is readily available to complete the Project; and/or a TIF Incentive is the optimal financing source for a Project; and/or the Project creates direct public benefits, such as, but not limited to, public infrastructure, utilities, and other public amenities.

(2) identify the Qualifying TIF Area for the Project and the taxes to be included in the Eligible Revenues. The Corporation may request such analyses regarding taxes as may be necessary or helpful.

(c) In reviewing a Request for Authorization, the Corporation may consider, among other factors, whether other financing options reasonably exist for the Project and whether the Project has a public interest rationale and is consistent with state and local planning and development objectives.

(d) The Corporation may grant Authorization to apply for a TIF Incentive in response to a Request for Authorization. The Corporation may, in its sole discretion, grant Authorization to apply for a TIF Incentive to any Developer that has applied for any other tax credit or incentive administered by the Developer.

(e) If the Corporation determines that it will not grant a Request for Authorization, it shall notify the Developer in writing of such decision.

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**Rule 8. Designation of a Qualifying TIF Area.**

(a) The Corporation may designate areas within one or more contiguous municipalities that meet the necessary criteria to become a Qualifying TIF Area.

(b) The Qualifying TIF Area for a Qualified Development Project Area shall be no greater than the Project Area for said Project, unless:

(1) the Qualified Development Project includes the development of infrastructure or utilities to serve areas beyond the boundaries of the Project Area, in which case the Applicant may request that the proposed Qualifying TIF Area include, in addition to the Project Area, such additional real estate contiguous to the Project Area as will be directly or indirectly benefitted by the development of such infrastructure or utilities; or

(2) the Applicant can demonstrate the Qualified Development Project will directly result in the generation of Incremental Revenue beyond the boundaries of the Project Area and can propose, provide justification for, and identify an administrable method for determining the portion or percentage (not greater than 75%) of the Incremental Revenue generated beyond the boundaries of the Project Area as a result of the Project, in which case the Applicant may request that the proposed Qualifying TIF Area include additional real estate contiguous to the Project Area.

**Rule 9. Application.**

The Application promulgated by the Corporation shall require submission of the following information from each Applicant:

- (a) The name, address and principal contact for the Applicant;
- (b) State and Federal tax identification numbers;

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- (c) The location of the project;
- (d) For a commercial project or a mixed use project, identification of prospective businesses that will occupy the project, type of businesses and principal products and services (if applicable or known);
- (e) For a residential project or a mixed use project, a complete description of unit sizes/layouts, projected sales/lease pricing and affordability mix;
- (f) The status of control of the entire Project Area shown for each plat and lot as indicated on the municipal assessor's tax map(s);
- (g) A construction schedule for the project or each phase of the project;
- (h) A detailed itemization of the estimated Project Cost;
- (i) A detailed description of the financing for the project including all sources and amounts of funding, projected internal rate of return, net margin, return on investment and cash on cash yield;
- (j) A pro forma demonstrating that the Project is likely to be realized with the provision of the TIF Incentive requested but is not likely to be accomplished in this State by private enterprise without the TIF Incentive;
- (k) A list and status of all required Federal, State and/or municipal approvals and/or permits required for the project;
- (l) A delineation of any other federal, State or local incentives, grants, tax credits or other aid that will or may be received or requested by the Developer in relation to the project;
- (m) Whether the Applicant has obtained a tax stabilization agreement from the municipality in which the project is located or, if applicable, the unavailability of a tax

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stabilization agreement despite commercially reasonable efforts by the Applicant to obtain such an agreement and a description of such efforts;

(n) A detailed description of the proposed Qualifying TIF Area, which shall include a description of the boundaries of the proposed Qualifying TIF Area; a description of the existing uses and permitted uses of the land located in the Qualifying TIF Area; a description of the existing commercial activity and specific businesses in the Qualifying TIF Area; and a delineation of the taxes to be included in the Eligible Revenue;

(o) If the Qualifying TIF Area is greater than the boundaries of the Project Area, the Application shall also include the following additional items with respect to the portion of the proposed Qualifying TIF Area located outside of the Project Area (the “benefitted properties”):

(1) A listing of each parcel by lot and block number, including for each parcel the name the title owner, the assessed value, the local zoning designation, and whether the parcel is improved or unimproved, and a copy of any filed or proposed development plan relating to such parcel;

(2) For each parcel, a certification by the Applicant that it has mailed a copy of a notice of the Application, in a form to be prescribed by the Corporation, to such title owner, by certified mail to the address of the title owner on file with the local tax assessor, which notice shall advise the title owner that it may provide written comment to the Corporation within thirty (30) days following the date of mailing of the notice;

(3) A description of the development expected or planned on the benefitted properties, including the identification of the developers, if any, and their contractual relationship, if any, with the Applicant;

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(4) If the project involves the development of infrastructure or utilities to serve areas beyond the boundaries of the Project Area, a description of the proposed infrastructure or utilities to be developed by the Applicant that will directly or indirectly benefit the benefitted properties, including the cost thereof and any proposed contributions or reimbursements expected to be made by the benefitted properties, together with an assessment of whether any additional infrastructure or utilities beyond those to be provided by the Applicant (e.g., house connections and/or connection main to link to a water or sewer project to be constructed by the Applicant) would need to be provided in order for such benefitted properties to be developed in the manner contemplated by the Application, and a description of any other known development constraints; and

(5) If the project does not involve the development of infrastructure or utilities: for each tax the Applicant proposes to include in Eligible Revenue, a description, supported by data, of how the Qualified Developed Project will directly result in an increase of revenue generated from that tax on the benefitted properties; and delineation of the method by which Incremental Revenues on the benefitted properties will be calculated and by which an identified portion or percentage of thereof shall be eligible for any TIF Incentive;

(p) Such other information as the Corporation deems appropriate or necessary in connection with a particular project; and

(q) A certification from the Applicant as to the following:

(1) A Project Financing Gap exists on the project; and

(2) The project meets the statutory criteria for approval by the Board as a Qualified Development Project.

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**Rule 10. Fees.**

(a) An Applicant may be charged a one-time, non-refundable application fee by the Corporation and fees for ongoing administration in relation to the Project if approved by the Board. The Corporation shall annually publish a fee schedule on its website commencing on or before December 31, 2015.

(b) An Applicant may be required to pay to the Corporation the full amount of direct fees and costs paid to third-parties by the Corporation in relation to the consideration and/or approval of the Applicant's Project.

**Rule 11. Review Process.**

(a) Each Application shall be reviewed to confirm compliance with the Act and these Rules, and the Corporation may reject any incomplete or deficient Application.

(b) The Corporation may require the submission of additional information in connection with any Application, the revision of an Application, and may permit the resubmission of an Application rejected as being incomplete or deficient.

(c) Prior to recommending a Project to the Board for approval, the Corporation shall review each Project to determine if a Project Financing Gap exists. This review shall include testing the validity of the Applicant's financial information and assumptions and, to the extent necessary, seeking input from third-party consultants.

(d) After submission of a complete Application and review by the Corporation in accordance with the requirements of the Act and these Rules, the Corporation will determine whether to recommend to the Board that it approve a TIF Incentive for the Applicant. In

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developing a recommendation, the Corporation may take into account, in consideration with other factors deemed relevant by the Corporation:

- (1) The evaluation of the Applicant's pro forma;
  - (2) The catalytic impact of the Project;
  - (3) Whether the project furthers State or municipal planning and development objectives, or both;
  - (4) Whether the project maximizes the value of vacant, dilapidated, outmoded, or underutilized property;
  - (5) If the application provides for a Qualifying TIF Area that is larger than the Project Area, the Corporation shall consider the positive impact of the provision of infrastructure or utilities upon the development, or potential for development, of the benefitted properties, and shall also review any comments provided by the title owners of the benefitted properties; and
  - (6) Whether there exists an opportunity for the State or the Corporation to recoup or receive a return on all or portion of the TIF Incentive to be issued to Applicant by virtue of a receipt of an equity stake or other interest in the Project.
- (e) If the Corporation determines that it will not recommend a complete Application to the Board for approval of a TIF Incentive, it shall notify the Applicant in writing of such decision.
- (f) The Corporation may set periodic Application deadlines that will be published on the Corporation's web site from time to time.

**Rule 12. Discretion and Judicial Review.**

- (a) The Corporation shall not have any obligation to make any award or grant any benefits under the Act or these Rules.

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(b) A review of a Request for Authorization or of an Application shall not constitute a “contested case” under the Administrative Procedures Act, section 42-35-9 of the General Laws, and no opportunity to object to a Request for Authorization or an Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation or the Board in connection with any Request for Authorization or any Application.

**Rule 13. Board Approval.**

(a) Prior to Board consideration for approval of any TIF Incentive the following conditions shall be satisfied:

- (1) The Applicant has submitted a completed Application;
- (2) The Chief Executive Officer of the Corporation has provided written confirmation to the Board (i) that the Corporation has reviewed the Application, negotiated a TIF Agreement, and of any determination regarding the potential impact on the Qualified Development Project’s ability to promote the retention and expansion of existing jobs, stimulate the creation of new jobs, including good-paying jobs, attract new business and industry to the State, and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in the State; and (ii) identifying the proposed boundaries of the Qualifying TIF Area, length of the TIF Agreement and the percentage of Incremental Revenues to be allocated under the TIF Agreement; and
- (3) The Secretary of Commerce has provided written confirmation to the Board that the recommendation provided to the Chief Executive Officer is consistent with the purposes of the Act; and

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(4) The Division of Taxation has provided certification of the Revenue Increment Base.

(b) Within thirty (30) days after satisfaction of the requirements of Rule 12(a) of these Rules, or such later date as the next meeting of the Board is convened, the Board shall undertake review and consideration of the approval of a TIF Incentive for the Qualified Development Project.

(c) In addition to those findings required under section 42-64-10(a) of the General Laws, the Board shall make the following findings in connection with approval of a TIF Incentive under the Act and these Rules:

(1) That there is a Project Financing Gap;

(2) That the TIF Incentive is the lesser of thirty percent (30%) of the total Project Cost or the amount needed to close the Project Financing Gap; provided that if the Board chooses to exempt a Project for the development of public infrastructure, a preexisting municipally-owned stadium of 10,000 seats or greater, or utilities from said 30% limit requirement pursuant to Section 42-64.21-6(f) of the General Laws, the Board need only find that the TIF Incentive does not exceed the amount needed to close the Project Financing Gap;

(3) That the Chief Executive has provided written confirmation required by the Act;

(4) That the Secretary of Commerce has provided written confirmation required by the Act; and

(5) For an Applicant qualifying as a significant taxpayer as determined by the Board, that the Eligible Revenues may be exempted up to the levels permitted by the Act and the Applicant shall be required to contribute payments in lieu of taxes, pursuant to procedures set

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forth in Rule 17, into the TIF Fund equal to the amount of such Eligible Revenues as are exempted and awarded as a TIF Incentive.

**Rule 14. TIF Payments.**

(a) The Total TIF Payment shall be paid in annual installments and shall be subject to appropriation.

(b) An Annual TIF Payment shall not be allowed prior to the taxable year in which the Qualified Development Project is Placed in Service.

(c) The Annual TIF Payment shall not exceed 75% of the actual Incremental Revenues for the year corresponding to the Annual TIF Payment.

(d) The Total TIF Payment received by an Applicant for a given qualified development project exceed the lesser of (1) thirty percent of the Project Cost as provided in the Application; or (2) thirty percent of the total Project Cost as certified by the Corporation pursuant to these Rules; provided, however, that the limitation of this Subsection shall not apply to projects for public infrastructure, a preexisting municipally-owned stadium of 10,000 seats or greater, or utilities.

**Rule 15. TIF Agreement.**

Upon approval of TIF Incentive by the Board and in order to safeguard the expenditure of public funds and ensure that the disbursement of funds further the objectives of the Act, the Corporation and the Applicant will enter into a TIF Agreement, which shall include, among others, the following terms:

(a) A detailed description of the boundaries of the Qualifying TIF Area;

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(b) The period in years in which the Applicant will be eligible for Annual TIF Payments, the maximum amount of Project Cost, the maximum percentage reimbursement amount, the maximum aggregate dollar amount of the TIF Incentive to be awarded to the Applicant, the maximum annual percentage of reimbursement, the particular tax or taxes to be included in the Eligible Revenues and the order in which multiple taxes will be applied to determine the TIF Incentive grant amount;

(c) The TIF Incentive shall not be issued prior to the Qualified Development Project being Placed in Service or such later date as determined by the Board in its approving resolution;

(d) If applicable, a provision requiring that the receipt of TIF Payments for any year be subject to the Applicant meeting any job creation or retention requirements or any other conditions that the Corporation, in its sole discretion, shall set as a condition of its approval of TIF Incentive for the Applicant;

(e) Evidence that the Applicant is in good standing with the Secretary of State and Division of Taxation at the time of execution of the TIF Agreement; good standing with the Division of Taxation shall include evidence that all taxes are current or that the Applicant is current on a workout agreement with the Division of Taxation;

(f) A provision indicating whether the TIF Incentive is allowed as a payment from the State subject to annual appropriation or as an exemption subject to payment to the Corporation as provided in the Act;

(g) At the Corporation's discretion, a provision requiring the Applicant to pay the Corporation's reasonable attorneys' fees incurred in connection with the negotiation, execution and enforcement of the TIF Agreement;

(h) Indemnification and insurance requirements;

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- (i) Default and remedies including events, if any, that would trigger forfeiture, revocation, and/or repayment of the TIF Incentive;
- (j) Reporting requirements including, but not limited to, any requirements under the Act;
- (k) The imposition of such restrictions or covenants upon the Qualified Development Project as may be necessary to ensure continued compliance with the Act and the Rules;
- (l) The procedure by which the Developer may pledge and assign as security for any loan, any or all of its right, title and interest in and to the TIF Agreement and in the TIF Incentive;
- (m) A certification procedure, which shall include, but not be limited to, the following:
  - (1) Representations that the Qualified Development Project complies with all applicable laws and regulations;
  - (2) Evidence that the Applicant is in good standing with the Secretary of State and the Division of Taxation at the time the Applicant files its certification for issuance of the TIF Incentive; good standing with the Division of Taxation shall include evidence that all taxes are current or that the Applicant is current on a workout agreement with the Division of Taxation;
  - (3) A requirement that the Applicant submit, prior to issuance of any TIF Payment, satisfactory evidence of the actual Project Cost, as certified by a certified public accountant. If the actual Project Cost is less than the estimated Project Cost forming the basis for the approval of the awarded TIF Incentive, then the awarded incentives shall be reduced based upon the actual Project Cost;

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(4) Evidence that the Qualified Development Project has been Placed in Service and/or meets such other criteria as imposed by the Board in its approving resolution; and

(5) If applicable, evidence that the Applicant has met any additional job creation or retention requirements or any other conditions that the Corporation, in its sole discretion, set as a condition of its approval of TIF Incentive for the Applicant.

**Rule 16. Assignment of TIF Agreement.**

(a) A Developer that has entered into a TIF Agreement with the Corporation pursuant to this section may, upon notice to and consent of the Corporation, pledge and assign as security for any loan, any or all of its right, title and interest in and to the TIF Agreement and in the TIF Payments due thereunder, and the right to receive the same, along with the rights and remedies provided to the Developer under such agreement. Any such assignment shall be an absolute assignment for all purposes, including the federal bankruptcy code.

(b) Any pledge of TIF payments made by the Developer shall be valid and binding from the time when the pledge is made and filed in the records of the commerce corporation. The TIF agreement and payments so pledged and thereafter received by the Developer shall immediately be subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the Developer irrespective of whether the parties have notice thereof.

**Rule 17. Certification.**

(a) Prior to the issuance of any TIF payments, the Applicant must submit satisfactory evidence of the following:

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(1) actual Project Costs, as certified by a certified public accountant. If the actual Project Costs are less than the estimated Project Costs forming the basis for the approval of the TIF Incentive, then the awarded incentives shall be reduced based upon the actual Project Costs; and

(2) evidence that the Qualified Development Project has been Placed in Service and/or meets such other criteria as imposed by the Board in its approving resolution.

**Rule 18. TIF Fund.**

(a) Except to the extent assigned to a bond trustee pursuant to paragraph (d) below, all payments in lieu of taxes collected from an Applicant shall, promptly upon receipt by the Corporation, be deposited into the TIF Fund. There shall also be deposited into the TIF Fund the proceeds of any bonds issued by the Corporation pursuant to paragraph (d) below.

(b) Amounts in the TIF Fund shall be used to fund, subject to annual appropriation by the Legislature, the making of TIF Payments by the Corporation to any Developer in accordance with the TIF Agreement in respect of such Developer's Qualified Development Project. The Corporation shall establish separate accounts within the TIF Fund to account for the receipt and application of specific funds in support of each separate Qualified Development Project to be funded from the TIF Fund. Up to the amount provided in the related TIF Agreement, moneys deposited into the TIF Fund with respect to a particular Qualified Development Project shall be used only for that purpose, unless the Corporation determines that any such amount is no longer needed or eligible for payment.

(c) As provided in Chapter 64 of Title 42 of the General Laws, the Corporation may issue bonds from time to time in order to fund a deposit into the TIF Fund. A resolution

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authorizing such bonds may either identify the particular TIF Agreement(s) and the related Qualified Development Project(s) for which TIF Payments are to be funded through the bond proceeds, or may provide that the disposition of bond proceeds shall be determined by subsequent resolution of the Corporation. Such resolution shall also specify the payments in lieu of taxes that will secure the repayment of such bonds, which may constitute all or any portion or percentage of such payments in lieu of taxes derived from all or any combination of present and/or future TIF Agreements. The debt service on the bonds shall be structured to correspond to the projected receipt of such payments in lieu of taxes.

(d) If the Corporation issues bonds pursuant to paragraph (c) above, the Corporation shall pledge and assign the payments in lieu of taxes specified in the resolution authorizing such bonds directly to the bond trustee for such bonds, as payment or security for the bonds. Such pledge and assignment shall be an absolute assignment of all of the Corporation's right, title and interest in such payments in lieu of taxes, notwithstanding the Corporation's continuing enforcement of said payments on behalf of the bond trustee.

(e) Obligations issued under the provisions of these Rules shall not constitute a debt, liability or obligation of the State or of any political subdivision of the State other than the Corporation or a pledge of the faith and credit of the State or any political subdivision other than the Corporation but shall be payable solely from the payment in lieu of taxes pledged by the Corporation. Each obligation issued by the Corporation shall contain on its face a statement to the effect that the Corporation shall not be obligated to pay the obligation or interest on the obligation except from revenues or assets pledged therefor and that neither the faith and credit nor the taking power of the State or any political subdivision of the State other than the Corporation is pledged to the payment of the principal of or the interest on the obligation.

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**Rule 19. Administration and Examination of Records.**

The Corporation may examine any books, paper, records or memoranda bearing upon the approval of incentives awarded under the Act, and may require the attendance of any person executing any Application, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine such person under oath respecting any matter which the Corporation deems pertinent or material in determining eligibility for incentives claimed under the Act.

**Rule 20. Inspection Rights.**

The Corporation shall have the right at reasonable times to make an inspection and to enter upon any property that is the subject of an application for certification, whether the Qualified Development Project is ongoing, or completed, and during the term of a TIF Agreement to verify compliance with the Act, the Rules and such other conditions imposed by the Corporation.



**Rhode Island Commerce Corporation**

**Rules for the Main Street Rhode Island Streetscape Improvement Fund**

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Rules for the Main Street Rhode Island Streetscape Improvement Fund**

**Rule 1. Purpose.**

These rules (the “Rules”) are promulgated to set forth the principles, policies and practices of the Rhode Island Commerce Corporation in implementing and administering Chapter 64.27 of Title 42 of the Rhode Island General Laws, the Main Street Rhode Island Streetscape Improvement Fund Act (the “Act”).

**Rule 2. Authority.**

These rules and regulations are promulgated pursuant to Chapter 64.27 of Title 42 of the General Laws. These rules and regulations have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

**Rule 3. Scope.**

These Rules shall apply to any application received by the Rhode Island Commerce Corporation for funding under the Act. Notwithstanding anything contained in these Rules to the contrary, the Rhode Island Commerce Corporation shall have and may exercise all general powers set forth in the Act that are necessary or convenient to effect its purposes and these Rules shall be liberally construed so as to permit the Rhode Island Commerce Corporation to effectuate the purposes of the Act and other applicable state laws and regulations. The Rhode Island Commerce Corporation, acting by and through its board of directors, may provide exemption from the application of such portion of these Rules as may be warranted by extenuating circumstances arising from such application.

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**Rule 4. Severability.**

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules shall not be affected thereby.

**Rule 5. Definitions.**

The following words and terms, when used in these Rules, shall have the following meanings, unless the context clearly indicates otherwise.

(1) **“Act”** means Chapter 64.27 of Title 42 known as the Main Street Rhode Island Streetscape Improvement Fund.

(2) **“Agreement”** means the contract between the Applicant and the Corporation, which sets forth the terms and conditions under which the Applicant shall be eligible to receive funding under the Act.

(3) **“Applicant”** means a municipality, a political subdivision of a municipality, or an Economic Development Organization that applies for funding under the Act and these Rules.

(4) **“Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant pursuant to the requirements of the Act and these Rules.

(5) **“Award”** means the approval of an Application for funding under the Act by the Board.

(6) **“Board”** means the board of directors of the Corporation.

(7) **“Committed Match”** means a match for a Streetscape Improvement Project with a value of not less than thirty percent (30%) of the total project cost that is committed prior to the

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receipt of funds pursuant to the Act. The match shall be in the form of cash or the appraised value of any real estate necessary for the project that is contributed in order to construct the project; provided that a match comprised of real estate shall require the submission of an appraisal not older than one year from the date of Application. A Committed Match may include funds expended within six months prior to the date of the Application for engineering, design, investigations, environmental assessment or studies, legal fees, or costs incurred in obtaining necessary municipal approvals; provided that no funds expended or obligated to be paid prior to July 1, 2015 shall qualify as part of the Committed Match. A Committed Match shall not include funds expended on general overhead, salary, or other such expenses that are not incurred directly and exclusively for the Streetscape Improvement Project.

(8) **“Corporation”** means the Rhode Island Commerce Corporation established pursuant to Chapter 64 of Title 42 of the General Laws.

(9) **“Economic Development Organization”** means a nonprofit corporation, quasi-public corporation, association of businesses, or other entity whose purpose includes the enhancement of economic conditions or quality of life within its community or the State.

(10) **“Political Subdivision”** means a separate agency or unit of local government created or established by law.

(11) **“Streetscape Improvement Project”** means a project that creates a physical improvement to a streetscape, such as, but not limited to, enhanced sidewalks and sidewalk amenities, new street furniture, new wayfinding signage, upgraded building facades, or improved street and public space lighting.

(12) **“State”** means the State of Rhode Island and Providence Plantations.

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**Rule 6. Eligibility.**

- (a) The following conditions must be met to be eligible for an Award under the Act:
- (1) the Applicant must be a municipality, a political subdivision of a municipality, or an Economic Development Organization;
  - (2) the Applicant must have a Committed Match;
  - (3) the Streetscape Improvement Project must be located in an area that is a walkable, compact mix of land uses suitable for small business development and commerce and that attracts residents and visitors to frequent the activities located in the area;
  - (4) the requested Award must not exceed \$300,000; and
  - (5) the requested Award must only be for expenses incurred directly and exclusively for the construction of the Streetscape Improvement Project.
- (b) If the Applicant is other than a municipality, the Applicant must secure a letter of support for the Streetscape Improvement Project from the mayor or elected city or town administrator of the municipality where the project is located or, in the absence of these officials, from either the city or town council president or the appointed city or town manager.
- (c) Commencement of construction work on the Streetscape Improvement Project prior to the filing of the Application will result in the project being ineligible for funding; provided that a Streetscape Improvement Project that is a distinct phase of a larger, multiphase project shall not be ineligible for funding by virtue of the fact that construction on a different phase of the project commenced prior to the filing of the Application.

**Rule 7. Application.**

- (a) The Application promulgated by the Corporation shall require submission of the

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following information from each Applicant:

(1) the name of the Applicant and contact information for the individual(s) primarily responsible for oversight and management of the Application;

(2) if the Applicant is an Economic Development Organization, a brief description of the organization, its governance structure, its members, and its activities, as well as appropriate evidence demonstrating that the Applicant has the organizational capacity to undertake and complete the Streetscape Improvement Project;

(3) a detailed description of the Streetscape Improvement Project, which shall include its specific location, a map delineating the project area, conceptual drawings, and an anticipated construction schedule;

(4) a budget for the Streetscape Improvement Project supported by project cost estimates for the work to be performed on the project; such budget shall reflect compliance with the requirements of Chapter 37-13 of the General Laws in the event such chapter applies to the Streetscape Improvement Project;

(5) a detailed schedule of the sources and uses of funds for the Streetscape Improvement Project;

(6) evidence of the Committed Match;

(7) a plan for the maintenance or upkeep of the Streetscape Improvement Project after completion, including the identification of sources of funds;

(8) a description of the economic benefits of the Streetscape Improvement Project, including a discussion of how the project is consistent with existing and planned economic development investment (both public and private) in the area; and

(9) a delineation of all approvals necessary to complete the Streetscape Improvement

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Project and evidence that such approvals have been obtained or the anticipated time-frame for the issuance of such approvals.

- (b) The Application shall also require a nonrefundable application fee of \$100.00.

**Rule 8. Application Review.**

(a) The Corporation shall conduct a review of the Applications received on a rolling basis, which may include periodic deadlines that will be published on the Corporation's web site from time to time, until such time as all available funds under the Act have been committed, at which point the Corporation will cease reviewing Applications until such time as additional funding is available.

(b) Each Application shall be reviewed to confirm compliance with the Act and these Rules, and the Corporation may reject any incomplete or deficient Application.

(c) The Corporation may require the submission of additional information in connection with any Application or the revision of an Application, and may permit the resubmission of an Application rejected as being incomplete or deficient.

(d) After submission of a complete Application and review by the Corporation in accordance with the requirements of the Act and these Rules, the Corporation will determine whether to recommend to the Board that it make an Award to the Applicant. Factors considered in formulation of the recommendation may include:

- (1) the economic conditions of the municipality where the Streetscape Improvement Project is located;
- (2) the economic benefits of the project;
- (3) consistency with local and statewide planning;

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- (4) technical and financial feasibility of the project;
  - (5) level of the Committed Match above the minimum 30% required;
  - (6) amount of the Committed Match allocated to direct construction costs, as opposed to soft costs;
  - (7) amount of the Committed Match, if any, coming from the municipality;
  - (8) firmness of the commitment of the funds constituting the Committed Match;
  - (9) the capital efficiency of the project;
  - (10) project readiness;
  - (11) any benefits to public transportation and/or bicycle transportation;
  - (12) energy efficiency of the project; and
  - (13) operational sustainability.
- (e) If the Corporation determines that it will not recommend a complete Application to the Board for approval, it shall notify the Applicant in writing of such decision.

**Rule 9. Board Approval.**

- (a) The Corporation shall not make any Award without Board approval.
- (b) The Board approval shall indicate whether the Award is made as a grant or a loan.
- (c) In addition to those findings required under Section 42-64-10 of the General Laws, the Board shall make a finding in connection with approval of any Award that the Streetscape Improvement Project will create an attractive environment for small business development and commerce in the area in which it is located.

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**Rule 10. Agreement.**

(a) Upon approval of an Award by the Board, the Corporation and the Applicant will enter into an Agreement prior to any funding to the Applicant.

(b) In order to safeguard the expenditure of public funds and ensure that the disbursement of funds further the objectives of the Act, the Agreement shall include, among others, the following terms:

- (1) the maximum amount of the Award;
- (2) the anticipated deadline for completion of the Streetscape Improvement Project;
- (3) a schedule and conditions for the disbursement of the Award;
- (4) a procedure for the certification and auditing of project costs;
- (5) a provision that the failure to adhere to a certain timeline or to certain conditions may result in forfeiture of the all or a portion of the Award;
- (6) if the Applicant is not a municipality or political subdivision thereof, representations and warranties that the Applicant is in good standing with the Secretary of State and Division of Taxation at the time of execution of the Agreement and will remain so through the duration of the Agreement; good standing with the Division of Taxation means that the Applicant is current on all taxes or that the Applicant is current on a workout agreement with the Division of Taxation;
- (7) indemnification requirements;
- (8) default and remedies including events other than those set forth above, if any, that would trigger forfeiture or revocation of the Award; and
- (9) reporting requirements including, but not limited to, any requirements under the Act.

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**Rule 11. Discretion and Judicial Review.**

(a) The Corporation shall not have any obligation to make any Award or grant any benefits under the Act or these Rules, and may decline to make Awards to any project with respect to which the Corporation has received a completed Application that meets the eligibility requirements of Rule 5.

(b) A review of an Application shall not constitute a “contested case” under the Administrative Procedures Act, Section 42-35-9 of the General Laws, and no opportunity to object to an Application shall be afforded, nor shall judicial review be available from a decision rendered by the Board in connection with any Application.

**Rule 12. Administration and Examination of Records.**

The Corporation may examine any books, papers, records or memoranda bearing upon the approval of any grant awarded under the Act, and may require the attendance of any person executing any application, report or other statement, or the attendance of any other person, and may examine such person under oath respecting any matter which the Corporation deems pertinent or material in determining eligibility for Awards claimed under the Act.

**Rule 13. Inspection Rights.**

The Corporation shall have the right at reasonable times to make an inspection and to enter upon any property that is the subject of an Application during the Application process or term of an Agreement to verify compliance with the Act, these Rules and such other conditions imposed in the Agreement or by the Corporation.



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**Rule 1. Purpose.**

Pursuant to Chapter 64.30, of Title 42 of the Rhode Island General Laws, these rules and regulations (the “Rules”) are promulgated to set forth the principles, policies and practices of the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation in implementing and administering the Anchor Institution Tax Credit Act (the “Act”).

**Rule 2. Authority.**

These Rules are promulgated pursuant to Chapter 64.30 of Title 42 of the General Laws. These Rules have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

**Rule 3. Application.**

These Rules shall apply to any Application for or receipt of tax credits under the Act. Notwithstanding anything contained in these Rules to the contrary, the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation, respectively, shall have and may exercise all general powers set forth in the Act that are necessary or convenient to effect its purposes and these Rules shall be liberally construed so as to permit the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation to effectuate the purposes of the Act and other applicable state laws and regulations. The Rhode Island Commerce Corporation, acting by and through its board of directors, may provide exemptions from the application of such portion of these Rules as may be warranted by extenuating circumstances arising from such application.

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**Rule 4. Severability.**

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules shall not be affected thereby.

**Rule 5. Definitions.**

The following words and terms, when used in these Rules, shall have the following meanings, unless the context clearly indicates otherwise:

(1) **“Act”** means Chapter 64.30 of Title 42 of the General Laws known as the Anchor Institution Tax Credit Act.

(2) **“Affiliate”** means an entity that directly or indirectly controls, is under common control with, or is controlled by a Business. Control exists in all cases in which the entity is a member of a controlled group of corporations as defined pursuant to section 1563 of the Internal Revenue Code of 1986 (26 U.S.C. § 1563) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of section 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the tax administrator, that control exists in situations involving lesser percentages of ownership than required by those statutes.

(3) **“Anchor Institution Tax Credit Fund”** means the fund established pursuant to Section 42-64.30-8 of the General Laws.

(4) **“Applicant”** means a Business located in Rhode Island applying for a Tax Credit under the Act and these Rules.

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(5) **“Assignee”** means an entity to whom a Tax Credit Certificate is assigned pursuant to these Rules.

(6) **“Assignor”** means a holder of a Tax Credit Certificate who assigns such Tax Credit Certificate to an Assignee.

(7) **“Board”** means the board of directors of the Corporation.

(8) **“Business”** means an Applicant that is a corporation, state bank, federal savings bank, trust company, national banking association, bank holding company, loan and investment company, mutual savings bank, credit union, building and loan association, insurance company, investment company, broker-dealer company or surety company, limited liability company, partnership or other entity.

(9) **“Corporation”** means the Rhode Island Commerce Corporation established pursuant to Chapter 64 of Title 42 of the General Laws.

(10) **“Eligibility Period”** means the period in which a Rhode Island Business may claim a Tax Credit under the Act, beginning with the tax period in which the Corporation accepts certification by the Rhode Island Business that it has played a substantial role in the decision of a qualified business to relocate to the State and extending thereafter for a term of five (5) years.

(11) **“Final Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant, pursuant to the requirements of the Act and these Rules, in order for the Applicant to qualify for a Tax Credit under the Act.

(12) **“Full-time Employee”** means a person who is employed by a Business for consideration for at least thirty-five (35) hours a week, or who is employed by a professional employer organization pursuant to an employee leasing agreement between the Business and the

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professional employer organization for at least thirty-five (35) hours a week, and whose wages are subject to Rhode Island income tax withholding.

(13) **“Hope Community”** means a municipality for which the five (5) year average percentage of families with income below the federal poverty level exceeds the State five (5) year average percentage, both most recently reported by the U.S. Department of Commerce, Bureau of the Census.

(14) **“Incentive Agreement”** means the incentive agreement entered into between an Applicant and the Corporation pursuant to the Act.

(15) **“New Facility”** means the facility in the State where the Qualified Business adds the New Full-time Jobs required under sections 42-64.30-5(a)(1) and (2) of the General Laws.

(16) **“New Full-time Job”** means a position created by the Qualified Business that did not previously exist in the State. The term “New Full-time Job” does not include a position that is the result of an acquisition of an existing company located in the State by purchase, merger, or otherwise; or a position that is or was already located in the State regardless of the taxpayer for whom the individual performed services. For the purposes of determining the number of New Full-Time Jobs, the positions of an Affiliate of the Qualified Business shall be considered positions of the Qualified Business.

(17) **“Notification of Assignment”** means the notification filed with the Division of Taxation of the assignment of all or a portion the Tax Credit.

(18) **“Preliminary Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant.

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(19) **“Qualified Business”** means a Business that supplies goods or services to a Rhode Island Business or is a material service provider or a material customer of a Rhode Island Business, or is an Affiliate of such supplier, service provider, or customer.

(20) **“Qualifying Relocation”** means a Qualified Business with the minimum number of employees as set forth in Section 42-64.30-5(a)(1) and (2) of the General Laws, which moves an existing facility to the State, moves into an existing facility in the State, or constructs a new facility in the State to supply goods or services to a Rhode Island Business. A Qualifying Relocation shall not include a Qualified Business’s expansion in this State of a line of business that the Qualified Business or its Affiliate already operated in this State in the 12 months prior to the date of the Application.

(21) **“Redevelopment Area”** means an area designated as a redevelopment area in accordance with Section 45-32-4 of the General Laws.

(22) **“Relocation Search”** means the engagement by a business or its agent of a broker to identify a site or sites where the business could locate operations in the State, or the business or its agent initiating negotiations with persons who control a site or sites in this State about acquiring, leasing, or otherwise relocating to said site or sites, or an equivalent formal act taken by the business to identify such a site or sites.

(23) **“Rhode Island Business”** means a Business physically located in, and authorized to do business in the State.

(24) **“State”** means the State of Rhode Island and Providence Plantations.

(25) **“Targeted Industry”** means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant section 42-64.17-1 of the General Laws or, until such time as any such economic development vision

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and policy is promulgated, as identified by the Corporation from time-to-time and published on the Corporation's website.

(26) **"Tax Credit"** means a tax credit granted under the Act.

(27) **"Tax Credit Certificate"** or **"Certificate"** means a certificate issued by the Tax Division to an Applicant who has received a certification from the Corporation substantiating compliance with an Incentive Agreement and entitlement to the issuance of Tax Credits under the Act.

(28) **"Tax Division"** means the Rhode Island Division of Taxation.

**Rule 6. Eligibility.**

(a) To be eligible for a Tax Credit, an existing Rhode Island Business shall file:

(1) a Preliminary Application with the Corporation identifying a Qualified Business that may relocate to the State; and

(2) a Final Application demonstrating to the Corporation that the Rhode Island Business played a substantial role in the decision of the Qualified Business to complete a Qualifying Relocation.

(b) The Qualified Business identified in the Preliminary Application must complete the Qualifying Relocation on or before December 31, 2020, and must create either:

(1) A minimum of ten (10) New Full-Time Jobs on or before December 31, 2018; or

(2) A minimum of twenty-five (25) New Full-Time Jobs on or before December 31, 2020.

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**Rule 7. Tax Credit Amount.**

(a) The Tax Credits issued under the Act shall not exceed the funds appropriated by the State for this program.

(b) An Applicant shall not be eligible to receive a Tax Credit in excess of seventy-five percent (75%) of the amount appropriated in the fiscal year in which the Tax Credits are issued.

**Rule 8. Preliminary Application.**

The Preliminary Application promulgated by the Corporation shall require submission of the following information from each Applicant:

- (a) the name, address, and principal contact for the Applicant;
- (b) state and federal tax identification numbers;
- (c) the identification of the Qualified Business;
- (d) a detailed description of the relationship between the Applicant and the Qualified Business that establishes that the Qualified Business, or its Affiliate, supplies goods or services to the Applicant or is a material service provider or material customer of the Applicant, including appropriate documentation to support the description; and
- (e) such other information as the Corporation deems appropriate or necessary in connection with a particular Application.

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**Rule 9. Final Application.**

After the Qualified Business identified in the Preliminary Application decides to engage in a Qualified Relocation, the Applicant shall submit a Final Application which shall require submission of the following information:

- (a) a detailed description of the number and types of New Full-Time Jobs to be located in the State;
- (b) the annual compensation and benefits for each New Full-Time Job to be located in the State;
- (c) a detailed description of the products and/or services that will be supplied by the Qualified Business from its location within the State;
- (d) a statement detailing the facts and circumstances that provide evidence of the substantial role of the Applicant in the decision of a Qualified Business to complete a Qualifying Relocation, along with such documentation acceptable to the Corporation substantiating the facts and circumstances set forth in the statement;
- (e) a submission from the Applicant and the Qualified Business stating that the Qualified Business had not commenced or engaged in a Relocation Search in this State within the 12 months prior to the date of the Applicant's Preliminary Application;
- (f) whether the Qualified Business will be purchasing or leasing a facility in the State;
- (g) details relative to development activities associated with the Qualifying Relocation including, but not limited to, costs associated with any real estate development;

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(h) a delineation of any other federal, State or local incentives, grants, tax credits, or other aid that will or may be received by the Qualified Business in completing a Qualifying Relocation; and

(i) such other information as the Corporation deems appropriate or necessary in connection with a particular Application.

**Rule 10. Fees.**

(a) An Applicant may be charged a one-time, non-refundable application fee by the Corporation, as well as fees for ongoing administration in relation to an award of Tax Credits to the Applicant approved by the Board. The Corporation shall annually publish a fee schedule on its website commencing on or before December 31, 2015.

(b) An Applicant may be required to pay to the Corporation the full amount of direct fees and costs paid to third-parties by the Corporation in relation to the consideration and/or approval of an Application.

**Rule 11. Review Process.**

(a) Each Preliminary and Final Application shall be reviewed to confirm compliance with the Act and these Rules, and the Corporation may reject any incomplete or deficient Application.

(b) The Corporation may require the submission of additional information in connection with any Preliminary or Final Application and may permit the resubmission of a Preliminary or Final Application rejected as being incomplete or deficient.

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(c) After submission of complete Preliminary and Final Applications and review by the Corporation in accordance with the requirements of the Act and these Rules, the Corporation will determine whether to recommend to the Board that it approve a Tax Credit for the Applicant and the amount of the Tax Credit. Factors considered in formulation of the recommendation may include, but not be limited to:

- (1) the number of New Full-Time Jobs created;
- (2) the compensation for the New Full-Time Jobs created including benefits;
- (3) the length of time the New Full-Time Jobs are committed to remain in the State;
- (4) whether the jobs created are in a Targeted Industry;
- (5) whether the Qualifying Relocation benefits a Hope Community;
- (6) whether the Qualifying Relocation occurs in a Redevelopment Area;
- (7) the strategic importance of the Qualified Business and/or the Applicant;
- (8) the economic return to the State; and
- (9) area brokers' fees.

(d) If the Corporation determines that it will not recommend a Final Application to the Board for approval of an incentive, it shall notify the Applicant in writing of such decision.

(e) The Corporation may set periodic Application deadlines that will be published on the Corporation's web site from time to time.

**Rule 12. Board Approval.**

(a) Prior to Board consideration for approval of any award of Tax Credits under the Act the following conditions shall be satisfied:

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(1) The chief executive officer of the Corporation has provided written confirmation to the Board (i) that the Corporation has reviewed the Application and any determination regarding the potential impact on the Qualified Business's ability to promote the retention and expansion of existing jobs; stimulate the creation of new jobs, including good-paying jobs; attract new business and industry to the State; and stimulate growth in real estate developments and/or businesses that are prepared to make meaningful investment and foster job creation in the State; and (ii) of the recommendation of the Corporation as to the total Tax Credit to be awarded the Applicant; and

(2) The Secretary of Commerce has provided written confirmation to the Board that the recommendation provided by the chief executive officer is consistent with the purposes of the Act.

(b) Within thirty (30) days after satisfaction of the requirements of Rule 12(a) of these Rules, or such later date as the next meeting of the Board is convened, the Board shall undertake review and consideration of the approval of the award of Tax Credits to the Applicant.

(c) In addition to those findings required under section 42-64-10 of the General Laws, the Board shall make the following findings in connection with approval of any award under the Act and these Rules:

(1) the Applicant played a substantial role in the decision of a Qualified Business to complete a Qualifying Relocation;

(2) the Qualifying Relocation has or will result in creation of the following minimum number of New Full-Time Jobs in the State: a minimum of ten (10) New Full-Time Jobs on or before December 31, 2018; or a minimum of twenty-five (25) New Full-Time Jobs on or before December 31, 2020;

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(3) that the chief executive office of the Corporation has provided the written confirmation required by the Act; and

(4) that the secretary of Commerce has provided the written confirmation required by the Act.

**Rule 13. Incentive Agreement.**

Upon approval of the Applicant's receipt of a Tax Credit by the Board, the Corporation and the Applicant will enter into an Incentive Agreement, which shall include, among others, the following terms:

(a) the maximum amount of Tax Credits awarded and a schedule on which the Tax Credits may be awarded;

(b) a provision that the Tax Credits shall not be issued prior to both (1) the issuance of a certificate of occupancy for the project or as of a lease commencement date or other such related commitment; and (2) validation by the Corporation that the Qualified Business has created the number of New Full-Time Jobs required by Section 42-64.30-5(a)(1) and (2) of the General Laws;

(c) a provision detailing the minimum number of New Full-Time Jobs to be created and such additional qualifying criteria that formed the basis for the approval of Tax Credits for the Applicant;

(d) a provision specifying for the withholding of any portion of a Tax Credit or requiring repayment of a Tax Credit if the Qualified Business leaves the State within a period of time set forth in the Incentive Agreement;

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(e) representations and warranties that the Applicant is in good standing with the Secretary of State and Division of Taxation at the time of execution of the Incentive Agreement and will remain so through the duration of the Incentive Agreement;

(f) at the Corporation's discretion, a provision requiring the Applicant to pay the Corporation's reasonable attorneys' fees incurred in connection with the negotiation, execution and enforcement of the Incentive Agreement;

(g) indemnification and insurance requirements;

(h) default and remedies including events that would trigger forfeiture or revocation of the awarded Tax Credits including, but not limited to, a provision that if information comes to the attention of the Corporation that is materially inconsistent with representations made in an Preliminary or Final Application and/or any request for certification, the Corporation may deny a request for certification, or revoke a certification previously given, with any processing fees paid to be forfeited;

(i) reporting requirements including, but not limited to, any requirements under the Act;

(j) an acknowledgment from the Qualified Business that it will provide information reasonably necessary to validate the Applicant's qualification for Tax Credits under the Act and these Rules;

(k) a certification procedure, which shall include, but not be limited to, the following:

(1) Representations that the Qualifying Relocation meets the eligibility criteria under the Act and these Rules;

(2) Representations that the Qualifying Relocation meets all of the criteria set forth in the Incentive Agreement;

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(3) Evidence that the Applicant is in good standing with the Secretary of State and the Division of Taxation at the time the Applicant files its certification for issuance of Tax Credits; and

(4) A requirement that the Applicant submit with its request for certification for issuance of the Tax Credits, satisfactory evidence of the New Full-Time Jobs created and the compensation and benefits provided for such jobs, which evidence shall be certified by a certified public accountant; and

(l) any other provisions that the Corporation determines are necessary to comply with the Act, these Rules, and other applicable State laws and administrative rules.

**Rule 14. Discretion and Judicial Review.**

(a) The Corporation shall not have any obligation to make any award or grant any benefits under the Act or these Rules.

(b) A review of a Preliminary or Final Application shall not constitute a “contested case” under the Administrative Procedures Act, section 42-35-9 of the General Laws, and no opportunity to object to a Preliminary or Final Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation or the Board in connection with any Preliminary or Final Application.

**Rule 15. Issuance of Tax Credit Certificates.**

(a) Upon the presentation to the Tax Division of a certification from the Commerce Corporation substantiating compliance with the terms of an Incentive Agreement, the Tax

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Division shall issue Tax Credit Certificates to the Applicant in the amounts and for the years as agreed to by the Corporation and reflected in the certification from the Corporation.

(b) The Tax Credit reflected in the Tax Credit Certificate may be used as a credit against taxes imposed under chapters 11, 12, 13, 14, or 17 of title 44.

(c) If the Applicant is a corporation, the Tax Credit is only allowed against the tax of a corporation included in a consolidated return that qualifies for the Tax Credit and not against the tax of other corporations that may join in the filing of a consolidated return.

**Rule 16. Redemption of Tax Credit.**

(a) Prior to assignment of a Tax Credit to a third party, the Applicant shall file a request with the Tax Division to redeem the tax credit, in whole or in part.

(b) Upon request of an Applicant holding a valid Tax Credit Certificate, the Tax Division shall be entitled to redeem such credit in whole or in part for one hundred percent (100%) of the value of the Tax Credit to the extent of available funds in the Anchor Institution Tax Credit Fund.

(c) An Applicant seeking redemption of a Tax Credit shall file an application on the form prescribed by the Tax Division together with the original Tax Credit Certificate. The Tax Division shall be entitled to pay the redemption amount within ninety (90) days of submission of a complete redemption application by the taxpayer to the extent of available funds in the Anchor Institution Tax Credit Fund. To the extent of any insufficiency of funds in the Anchor Institution Tax Credit Fund, the Tax Division shall either return the original Tax Credit Certificate to the taxpayer or issue a new Tax Credit Certificate for such partial amounts that are not redeemed by the Tax Division.

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- (d) An Assignee of the Tax Credit is not entitled to redeem a Tax Credit.

**Rule 17. Assignment of Tax Credit.**

(a) A Tax Credit Certificate may be assigned, provided that no Credit has been claimed based on the Tax Credit Certificate being assigned. The Tax Credit Certificate may be assigned by endorsing the assignment clause set forth on the Certificate and delivery of the original Certificate to the Assignee.

(b) The Assignee may use the Tax Credit only to offset the tax imposed for the taxable year in which the Credit is issued.

(c) An original executed copy of the Tax Credit Certificate shall be attached to the tax return of the Applicant or Assignee who desires to claim the Credit.

(d) An Assignor of all or any portion of the Tax Credit, shall notify the Tax Division in writing within thirty (30) calendar days following the effective date of such assignment. Attached to such written notification (the Notification of Assignment) shall be:

(1) a copy of the Tax Credit Certificate, endorsed to the Assignee. The original Certificate shall not be included with the Notification of Assignment, which must be retained by the Assignee and attached to the Assignee's tax return for the year with respect to which the Tax Credit is claimed;

(2) The name, address and telephone number of the Assignor and of the Assignee;

(3) The taxpayer identification number or social security number of the Assignor and the Assignee; and

(4) For non-resident entities, the name and address of such entity's registered agent in the State of Rhode Island and evidence of qualification to do business in Rhode Island.

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(e) If the holder of a Tax Credit Certificate desires to assign its interest in the Credit to more than one Assignee, the holder must request the Tax Division to reissue the original Certificate in such number of Certificates as the holder requires. The request must be made in writing, must specify the number of new Certificates required and the amount to be specified on each Certificate, and must attach the Original Certificate for cancellation by the Tax Division.

(f) The Tax Division may assess reasonable administrative fees for issuing multiple Tax Credit Certificates or for reissuing Certificates.

**Rule 18. Revocation of Tax Credit.**

Upon notice from the Corporation of a breach of an Incentive Agreement, the Tax Division may deny the issuance of or revoke the Tax Credit Certificate. If any Tax Credits have been claimed by any taxpayer based upon a Tax Credit Certificate that has been revoked, the Applicant shall pay to the Tax Division an amount equal to the Tax Credit claimed. There shall be no adjustment to the Tax Credit claimed by the taxpayer if a taxpayer acquired the Tax Credit Certificate, directly or indirectly, in an arms-length transaction, for value, and without notice of violation, fraud or misrepresentation.

**Rule 19. Administration and Examination of Records.**

(a) The Corporation may examine any books, paper, records or memoranda bearing upon the approval of incentives awarded under the Act, and may require the attendance of any person executing any Application, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine such person under oath

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respecting any matter which the Corporation deems pertinent or material in determining eligibility for incentives claimed under the Act.

(b) The Tax Division and its agents, for the purpose of ascertaining the correctness of any Tax Credit claimed under the Act, may examine any books, paper, records or memoranda bearing upon the matters required to be included in the return, report or other statement, and may require the attendance of the Person executing the return, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other Person, and may examine the Person under oath respecting any matter which the Tax Division or its agents deems pertinent or material in determining eligibility for Tax Credits claimed, and may request information from the Corporation, and the Corporation shall provide such information in all cases, to the extent not otherwise prohibited by statute.



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**Rule 1. Purpose.**

These rules and regulations (the “Rules”) are promulgated to set forth the principles, policies and practices of the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation in implementing and administering Chapter 48.3 of Title 44 of the Rhode Island General Laws, the Rhode Island Qualified Jobs Incentive Act of 2015 (the “Act”).

**Rule 2. Authority.**

These Rules are promulgated pursuant to Chapter 48.3 of Title 44 of the General Laws. These Rules have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, Chapter 35 of Title 42 of the General Laws.

**Rule 3. Scope.**

These Rules shall apply to any Application for or receipt of tax credits under the Act. Notwithstanding anything contained in these Rules to the contrary, the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation, respectively, shall have and may exercise all general powers set forth in the Act that are necessary or convenient to effect its purposes, and these Rules shall be liberally construed so as to permit the Rhode Island Commerce Corporation and the Rhode Island Division of Taxation to effectuate the purposes of the Act and other applicable state laws and regulations. The Rhode Island Commerce Corporation, acting by and through its board of directors, may provide exemption from the application of such portion of these Rules as may be warranted by extenuating circumstances arising from such application.

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**Rule 4. Severability.**

If any provision of these Rules, or the application thereof to any person or circumstance, is held invalid by a court of competent jurisdiction, the validity of the remainder of the Rules shall not be affected thereby.

**Rule 5. Definitions.**

The following words and terms, when used in these Rules, shall have the following meanings, unless the context clearly indicates otherwise:

(1) **“Act”** means the Rhode Island Qualified Jobs Incentive Act of 2015, Chapter 48.3 of Title 44 of the General Laws.

(2) **“Affiliate”** means an entity that directly or indirectly controls, is under common control with, or is controlled by another business entity. Control exists in all cases in which the entity is a member of an affiliated group of corporations as defined pursuant to § 1504 of the Internal Revenue Code of 1986 (26 U.S.C. § 1504) or the entity is an organization in a group of organizations under common control as defined pursuant to subsection (b) or (c) of § 414 of the Internal Revenue Code of 1986 (26 U.S.C. § 414). A taxpayer may establish by clear and convincing evidence, as determined by the Corporation, that control exists in situations involving lesser percentages of ownership than required by those statutes. An Affiliate of a Business may contribute to meeting full-time employee requirements of a Business that applies for a Tax Credit under this chapter.

(3) **“Allocation Agreement”** means an executed agreement among all Participants of a Pass-Through Entity setting forth the method for allocation of the Tax Credit agreed upon among the Participants. An Allocation Agreement may include, without limitation, a partnership

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agreement, an operating agreement of a limited liability company, a shareholders agreement, or any other instrument executed by all Participants.

(4) **“Annual Certification”** means the document issued annually to an Applicant certifying to the Tax Division the amount of the tax credit and taxable year in which such credit may be claimed, and such other information deemed appropriate by the Corporation.

(5) **“Applicant”** means a Business applying for a tax credit under the Act and these Rules.

(6) **“Application”** means the application, promulgated by the Corporation, which must be completed and submitted by an Applicant pursuant to the requirements of the Act and these Rules.

(7) **“Assignee”** means a Person to whom a Tax Credit Certificate is assigned pursuant to these Rules.

(8) **“Assignor”** means a holder of a Tax Credit Certificate who assigns such Tax Credit Certificate to an Assignee.

(9) **“Board”** means the board of directors of the Corporation.

(10) **“Business”** means a corporation, state bank, federal savings bank, trust company, national banking association, bank holding company, loan and investment company, mutual savings bank, credit union, building and loan association, insurance company, investment company, broker-dealer company or surety company, limited liability company, partnership or sole proprietorship qualified to do business in the State.

(11) **“Capital Investment”** means expenses for: site preparation and construction, repair, renovation, improvement, equipping, or furnishing on real property or of a building, structure, facility, or improvement to real property, including associated soft costs and the costs

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of relocating any former tenants; obtaining and installing furnishings and machinery, apparatus, or equipment, including, but not limited to, material goods for the operation of a business on real property or in a building, structure, facility, or improvement to real property; site-related utility and transportation infrastructure improvements including on- and off-site utility, road, pier, wharf, bulkhead or sidewalk construction or repair; plantings or other environmental components required to attain the level of silver rating or above in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System; and environmental remediation of the Project site.

(12) **“Corporation”** means the Rhode Island Commerce Corporation established pursuant to Chapter 64 of Title 42 of the Rhode Island General Laws.

(13) **“Commitment Period”** means the period of time that at a minimum is twenty percent (20%) longer than the Eligibility Period.

(14) **“Economically Fragile Industry”** means manufacturing and such other industries identified in the economic development vision and policy promulgated pursuant Section 42-64.17-1 of the General Laws as economically fragile or, until such time as any such economic development vision and policy is promulgated, as identified by the Corporation from time-to-time and published on the Corporation’s website. Retail shall not be an economically fragile industry.

(15) **“Eligibility Period”** means the period in which a Business may claim a Tax Credit under the Act, beginning at the end of the tax period in which the Corporation issues a Certification for the Business that it has met the employment requirements of the Act and extending thereafter for a term of not more than ten (10) years.

(16) **“Eligible Position”** or **“Full-Time Job”** means a full-time position in a Business

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which has been filled with a Full-Time Employee who earns no less than the median hourly wage as reported by the United States Bureau of Labor Statistics for the State, provided, that for Economically Fragile Industries, the Corporation may reduce the wage threshold.

(17) **“Full-Time Employee”** means a person who is employed in the State by a Business for consideration for at least thirty-five (35) hours a week, or who is employed in the State by a professional employer organization pursuant to an employee leasing agreement between the Business and the professional employer organization for at least thirty-five (35) hours a week, and whose wages are subject to withholding.

(18) **“Hope Community”** means a municipality with a percentage of families below the poverty level that is greater than the percentage of families below the poverty level for the state as a whole as determined by the United States Census Bureau’s most recent American Community Survey.

(19) **“Incentive Agreement”** means the contract between the Business and the Corporation that sets forth the terms and conditions under which the Business shall be eligible to receive the incentives authorized pursuant to the Act.

(20) **“Incentive Effective Date”** means the date the Corporation issues a certification for issuance of a Tax Credit.

(21) **“Industrial Design”** means the profession of designing products to optimize the function, value, and appearance for the benefit of the user of the product and/or the manufacturer or creator of the product.

(22) **“Initial Certificate Holder”** means an Applicant or Participant named by the Applicant to receive the Tax Credit Certificate.

(23) **“New Full-Time Job”** means an Eligible Position created by the Applicant that

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did not previously exist in the State. The term “New Full-Time Job” does not include a position that is the result of an acquisition of an existing company located in the State by purchase, merger, or otherwise; or a position that is or was already located in the State regardless of the taxpayer for whom the individual performed services. For the purposes of determining the number of new Full-Time Jobs, the Eligible Positions of an Affiliate shall be considered Eligible Positions of the Applicant.

(24) **“Notification of Assignment”** means the notification filed with the Division of Taxation of the assignment of all or a portion a Tax Credit.

(25) **“Participant”** means a partner in a partnership, member of a limited liability company, shareholder of an S-corporation, beneficial owner of a trust, or any other Person having an interest in a Pass-Through Entity.

(26) **“Partnership”** means an entity classified as a partnership for federal income tax purposes.

(27) **“Pass-Through Entity”** means a partnership, limited liability company, S-corporation, association, nominee trust, or any other entity, the tax attributes of which are passed through to the Participants in such entity.

(28) **“Percentage Interest”** means the Percentage Interest in the Tax Credit allocated to a Participant or another Person pursuant to the terms of the applicable Allocation Agreement.

(29) **“Person”** means any person, partnership, firm, corporation, (including both business and non-profit corporations), limited liability company, trust, estate, association, or other business entity.

(30) **“Related Company”** means any entity controlling, controlled by or under common control with an Applicant.

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(31) **“Scientific Research and Development”** means conducting research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, biology, botany, biotechnology, computers, chemistry, food, fisheries, forests, geology, health, manufacturing, mathematics, medicine, oceanography, pharmacy, physics, veterinary, and other allied subjects.

(32) **“State”** means the state of Rhode Island and Providence Plantations.

(33) **“Targeted Industry”** means any advanced, promising or otherwise prioritized industry identified in the economic development vision and policy promulgated pursuant section 42-64.17-1 of the General Laws or, until such time as any such economic development vision and policy is promulgated, as identified by the Corporation from time-to-time and published on the Corporation’s website.

(34) **“Tax Administrator”** means the person within the Rhode Island Department of Revenue as described in Section Chapter 1 of Title 44 of the General Laws.

(35) **“Tax Credit”** means a tax credit granted under the Act.

(36) **“Tax Credit Certificate”** or **“Certificate”** means a certificate issued by the Tax Division to the Applicant who has received a certification from the Corporation substantiating compliance with an Incentive Agreement and entitlement to the issuance of Tax Credits under the Act. If the Applicant is a Pass-Through Entity, a Tax Credit Certificate may be issued to each Participant in the Pass-Through Entity. The Certificate shall specify the amount of the Tax Credit allocable to such Participant, determined pursuant to these Rules.

(37) **“Tax Division”** means the Rhode Island Division of Taxation.

(38) **“Taxpayer”** means a Business granted a Tax Credit under this chapter or such person entitled to the Tax Credit because the business is a Pass-Through Entity.

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(39) **“Transit Oriented Development Area”** means (a) an area within one half (1/2) of one mile of an airport, a passenger rail station, a passenger ferry stop, a bus rapid transit stop, a bus terminal, or a streetcar stop; or (b) an area within one quarter (1/4) of one mile of the intersection of two or more bus routes that is surrounded by an existing or proposed multi-family development or an existing or proposed commercial development.

**Rule 6. Eligibility.**

(a) The minimum number of New Full-Time Jobs required for an Applicant to be eligible for a Tax Credit under the Act shall be as follows:

(1) for a Business in a Targeted Industry that employs not more than one hundred (100) Full-Time Employees in the State on the date of Application, the creation of at least ten (10) New Full-Time Jobs;

(2) for a Business in a Targeted Industry that employs more than one hundred (100) Full-Time Employees in the State on the date of Application, the lesser of the creation of New Full-Time Jobs in this State in an amount not less than ten percent (10%) of the Business’s existing number of Full-Time Employees in the State or the creation of at least one hundred (100) New Full-Time Jobs;

(3) for a Business that is not in a Targeted Industry that employs not more than two hundred (200) Full-Time Employees in this State on the date of Application to the Corporation, the creation of at least twenty (20) New Full-Time Jobs; or

(4) for a Business that is not in a Targeted Industry that employs more than two hundred (200) Full-Time Employees in this State on the date of Application, the lesser of the creation of New Full-Time Jobs in an amount not less than ten percent (10%) of the Business’s

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existing number of Full-Time Employees in this State or the creation of at least one hundred (100) New Full-Time Jobs.

(b) An Applicant who closes or substantially reduces an operation at one location in the State and relocates substantially the same operation to another location in the State is not eligible for Tax Credits under the Act for the jobs relocated as a result of the relocation. This does not prohibit an Applicant from expanding its operations at another location in the State, provided that existing operations of a similar nature located within the State of the Applicant or a Related Company are not closed or substantially reduced within the one year preceding the date of the Application.

(c) An Applicant shall not be eligible for a Tax Credit if an actual or likely future federal procurement is a cause of substantially all of the hours to be worked by the New Full-Time Jobs identified in an Application, unless the Applicant can show that it could reasonably and efficiently locate the New Full-Time Jobs outside of the State, that such location would be economically advantageous, and that such location would be consistent with the terms of the federal procurement. A likely future federal procurement includes, but is not limited to, a federal procurement that has been applied for or formally solicited, or an existing federal procurement for which there is a likelihood of renewal.

**Rule 7. Successive Applications.**

The Corporation shall not enter into a new Incentive Agreement with a Business that has previously received incentives pursuant to the Act, unless the Business has satisfied all of its obligations underlying the previous award of incentives, and the New Full-time Jobs pledged by

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the Business in the new Incentive Agreement are in addition to the jobs created by the Business under any prior Incentive Agreement.

**Rule 8. Combination With Other Jobs Benefits.**

The incentives provided under the Act shall not be granted in combination with any other job specific benefit provided by the State, the Corporation, or any other State agency, board, commission, quasi-public corporation or similar entity without the express authorization of the Corporation.

**Rule 9. Application.**

The Application promulgated by the Corporation shall require submission of the following information from each Applicant:

- (a) The name and address of the Business and contact information for the individual(s) primarily responsible for oversight and management of the Application.
- (b) The federal and state tax identification numbers for the Business;
- (c) The total number of Full-Time Employees in the State as of the date of the Application, as well as the average monthly total number of Full-Time Employees in the State for the preceding 12 months for the Applicant and any Related Companies;
- (d) A brief description of any existing operations and locations of the Business and any Related Companies in the State;
- (e) Job creation information, including information on all Affiliates contributing Full-Time Employees for purposes of the Application, which shall include the following:
  - (1) the address(es) of the location(s) of the New Full-Time Jobs, along with

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documentary evidence of existing or anticipated control over such location(s), such as proof of ownership, a purchase and sale agreement, a lease, or a letter of intent;

(2) a description of any actual or likely future federal procurement that will result in the hiring of Full-Time Employees;

(3) a detailed description of the number of New Full-Time Jobs to be created unrelated to any federal procurement and the occupations of and compensation for the New Full-Time Jobs to be created, and a schedule of anticipated starting dates of new hires;

(4) a detailed description of the number of New Full-Time Jobs to be created related to any federal procurement and the occupations of and compensation for the New Full-Time Jobs to be created, and a schedule of anticipated starting dates of new hires;

(5) the employer identification or social security numbers for all Related Companies of the Business that employ persons in this State, and a clear and detailed presentation of the operations of those Related Companies to assure the Corporation that the New Full-Time Jobs are not being transferred from a Related Company within the State;

(6) evidence demonstrating that without a Tax Credit the creation of the New Full-Time Jobs would not occur in this State, which may include, but is not limited to:

(i) a financial analysis, supported by appropriate documentation, showing that the receipt of the Tax Credit under the Act is necessary to make the creation of the New Full-Time Jobs feasible in this State, such as a financial analysis using best available data showing that, without the credit provided under the Act, it is not feasible for the Applicant to create the New Full-Time Jobs in this State or it is economically more beneficial for the Applicant to create the New Full-Time Jobs out of State; such analysis shall take into account the transaction costs of relocating to or from another state;

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(ii) evidence that the Applicant could reasonably and efficiently locate outside of the State, which may, for example, include a proposed lease, proposed purchase and sale agreement, a real estate term sheet, prospective offer or offer letter, a term sheet concerning an out of state facility, or an incentive letter or incentive term sheet from another state.

(7) a delineation of any other State or municipal incentives, grants, tax credits, or other aid that will or may be received or requested by the Applicant in relation to creation of the New Full-Time Jobs, including, but not limited to, in relation to the construction, acquisition, lease, or investment in property that facilitates the creation of the New Full-Time Jobs;

(8) if the Applicant seeks an increase in the Tax Credit amount on the basis of a Capital Investment pursuant to Rule 13(a)(8), a detailed description of the Capital Investment the Applicant will make including the estimated amount of such investment supported by documentary evidence, and the location(s) at which such investment will be made; and

(9) Any other necessary and relevant information as determined by the Corporation.

(f) A certification from the Applicant's chief executive officer, or equivalent officer, attesting under oath:

(1) That any projected creation of New Full-Time Jobs would not occur, or would not occur in the State, but for the provision of Tax Credits under the Act;

(2) The Applicant will create New Full-Time Jobs in an amount equal to or greater than the anticipated number of New Full-Time Jobs set forth in the Application; and

(3) That the attesting officer has reviewed the information submitted to the Corporation and that the representations contained therein are accurate and complete.

(g) A signed authorization allowing the Tax Division and the Corporation to share information and to permit the Rhode Island Department of Labor and Training to share

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information with the Corporation, executed by a person with authority to act on the Applicant's behalf in this regard. Any records, data or information made available or received by the Corporation and/or the Tax Division from any non-public source related to the creation of the New Full-Time Jobs or the Applicant shall be kept in confidence and protected from disclosure to the extent permissible under the Access to Public Records Act, Chapter 2 of Title 38 of the General Laws, unless the Applicant otherwise consents.

**Rule 10. Fees.**

(a) An Applicant may be charged a one-time, non-refundable application fee by the Corporation and fees for ongoing administration in relation to Tax Credits for the Applicant approved by the Board. The Corporation shall annually publish a fee schedule on its website commencing on or before December 31, 2015.

(b) An Application may be required to pay to the Corporation the full amount of direct fees and costs paid to third-parties by the Corporation in relation to the consideration and/or approval of Tax Credits for the Applicant.

**Rule 11. Review Process.**

(a) Each Application shall be reviewed to confirm compliance with the Act and these Rules, and the Corporation may reject any incomplete or deficient Application.

(b) The Corporation may require the submission of additional information in connection with any Application or the revision of an Application, and may permit the resubmission of an Application rejected as being incomplete or deficient.

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(c) After submission of a complete Application and review by the Corporation in accordance with the Act and these Rules, the Corporation will determine whether to recommend to the Board that it approve a Tax Credit for the Applicant and the amount of the Tax Credit.

Factors considered in formulation of the recommendation may include:

- (1) the number of New Full-Time Jobs created;
- (2) the compensation for the New Full-Time Jobs created including benefits;
- (3) the length of the Commitment Period;
- (4) whether the jobs created are in a Targeted Industry;
- (5) whether the jobs are created in a Hope Community;
- (6) the amount of any Capital Investment made in connection with the creation of the

New Full-Time Jobs;

- (7) the strategic importance of the Applicant's business; and
- (8) the economic return to the State.

(d) If the Corporation determines that it will not recommend a complete Application to the Board for approval of an incentive, it shall notify the Applicant in writing of such decision.

(e) The Corporation may set periodic Application deadlines that will be published on the Corporation's web site from time to time.

**Rule 12. Discretion and Judicial Review.**

(a) The Corporation shall not have any obligation to make any award or grant any benefits under the Act or these Rules.

(b) A review of an Application shall not constitute a "contested case" under the Administrative Procedures Act, Section 42-35-9 of the General Laws, and no opportunity to

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object to an Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation or the Board in connection with any Application.

**Rule 13. Determination of Tax Credit Amount.**

The amount of the Tax Credit allowed for each New Full-Time Job shall be determined as set forth in this Rule.

(a) For an Applicant for whom the Board approves Tax Credits prior to the Board approving Tax Credits for a cumulative total of 500 New Full-Time Jobs, the annual amount of the Tax Credit for said Applicant for each New Full-Time Job shall be \$7,500; otherwise, the annual base amount of the Tax Credit for each New Full-Time Job shall be \$2,500 and may be increased by the amount indicated, up to an additional \$5,000, if any of the following priority criteria, or other criteria determined by the Corporation from time-to-time in response to evolving economic or market conditions, are met:

(1) For a Business with New Full-Time Jobs with a median salary in excess of 110 percent of the existing median hourly wage as reported by the United States Bureau of Labor Statistics for the State, an increase of \$300 per year for each ten percent by which the median salary levels exceeds the existing median hourly wage;

(2) For a New Full-Time Job in a Targeted Industry, an increase of up to \$5,000 per year;

(3) For a New Full-Time Job located within a Hope Community, an increase of \$1,000 per year;

(4) For a New Full-Time Job that is created by virtue of an out-of-state business relocating a business unit or units to the State, an increase of up to \$5,000 per year;

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(5) For the creation of a significant number of New Full-Time Jobs prior to the receipt of any Tax Credits, an increase pursuant to the following schedule:

- (i) For 50 to 100 New Full-Time Jobs, an increase of up to \$3,000 per year;
- (ii) For 101 to 249 New Full-Time Jobs, an increase of up to \$4,000 per year;
- (6) For 250 or more New Full-Time Jobs, an increase of up to \$5,000 per year;
- (7) For a New Full-Time Job located in a Transit Oriented Development Area, an increase of \$1,000 per year, provided that if the New-Full Time Job is located within one-half of one mile of T.F. Green Airport, Quonset Business Park, or a passenger rail station, an increase of up to \$4,000 per year;

(8) For an Applicant that creates 25 or more New Full-Time Jobs at a location where the Applicant has made a Capital Investment of \$5,000,000 or more in connection with the creation of New Full-Time Jobs at that location, the total Tax Credit amount per New Full-Time Job created at the location shall be increased by \$1,000 per year for each \$5,000,000 in Capital Investment made by the Applicant;

(9) For new New Full-Time Jobs created on land that, as of July 1, 2015, was owned by the I-195 Redevelopment District Commission, an increase of up to \$5,000 per year;

(10) For new New Full-Time Jobs that align with the academic mission of a college or university in the State, an increase of \$2,500 per job; such alignment can be shown by, for example, a technology transfer from the college or university to the business; funding scholarships or facilities or experiential learning opportunities; or hiring a significant number of school graduates;

(11) For New Full-Time Jobs created in Scientific Research and Development or Industrial Design, an increase of \$5,000 per job.

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(b) Notwithstanding any other provision of these Rules, the total Tax Credit amount shall be calculated and credited to the Applicant annually for each year of the Eligibility Period after the Corporation, in consultation with the Tax Division, has verified that the amount of Tax Credits available to be obtained by the Applicant for any year shall not exceed the reasonable W-2 withholding received by the State in that year for each new Full-Time Job created by the Applicant.

(c) The Board shall retain the discretion to determine that the Applicant shall receive credits in a number or amount less than the amounts prescribed pursuant to Subsections (a) and (b) of this Section, if the Corporation determines that the number of anticipated New Full-Time Jobs or Capital Investment is unrealistic given the operating history and resources of the Applicant.

**Rule 14. Board Approval.**

In addition to those findings required under Section 42-64-10 of the General Laws, the Board shall make the following findings in connection with approval of any award of incentives under the Act and these Rules:

(a) that the Applicant has demonstrated an intention to create the requisite number of New Full-Time Jobs; and

(b) that the creation of the New Full-Time Jobs would not occur in the State but for the provision of Tax Credits.

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**Rule 15. Incentive Agreement.**

Upon approval of Tax Credits for an Applicant by the Board, the Corporation and the Applicant will enter into an Incentive Agreement prior to the issuance of any Tax Credit to the Applicant. In order to safeguard the expenditure of public funds and ensure that the disbursement of funds further the objectives of the Act, the Incentive Agreement shall include, among others, the following terms:

- (a) A detailed description of the proposed job creation and the minimum number of New Full-Time Jobs necessary to qualify for the Tax Credit;
- (b) The Eligibility Period of the Tax Credits, including the first year for which the Tax Credits may be claimed;
- (c) The maximum amount of Tax Credits to be awarded;
- (d) The Tax Credits shall not be issued prior to the Annual Certification by the Corporation;
- (e) A requirement that the Applicant maintain in the State for the Commitment Period at least the minimum number of New Full-Time Jobs as required by the Act and these Rules;
- (f) A method for the Applicant to annually certify that it has met the employment requirements of the Act for each year of the Commitment Period;
- (g) A provision permitting an audit of the payroll records of the Applicant from time-to-time, as the Corporation deems necessary;
- (h) A provision establishing the conditions under which the Incentive Agreement may be terminated;
- (i) A provision that if, in any tax period, the Applicant reduces the total number of Full-Time Employees in its statewide workforce in the last tax period prior to the Tax Credit

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amount approval under this Act by more than twenty percent (20%) of the number of jobs for which a credit was granted under the Act as described in the Applicant's Incentive Agreement, then the Applicant shall forfeit all credit amounts described in the Applicant's Incentive Agreement for that tax period and each subsequent tax period, until the first tax period for which documentation demonstrating the restoration of the Applicant's statewide workforce to the threshold levels required by the Incentive Agreement has been reviewed and approved by the Corporation, for which tax period and each subsequent tax period the full amount of the Tax Credit shall be allowed, so long as the Applicant maintains its statewide workforce at the levels required under this subsection;

(j) A provision that during the Commitment Period, if the Applicant ceases operations in the State or transfers more than fifty percent (50%) of the jobs for which a Tax Credit was granted under the Act to another state, the Tax Credit shall cease and the Applicant shall be liable to the State for, at a minimum, twenty percent (20%) of all tax benefits granted to the Applicant under the Act calculated from the date of the Incentive Agreement;

(k) A requirement that the Corporation is authorized to verify with the appropriate State agencies, including but not limited to the Tax Division and the Department of Labor and Training, any information required to be submitted by the Applicant;

(l) A provision specifying whether the Tax Credit may be used as a credit against personal income taxes due under Chapter 30 of Title 44;

(m) Evidence that the Applicant is in good standing with the Secretary of State and Division of Taxation at the time of execution of the Incentive Agreement; good standing with the Division of Taxation shall include evidence that all taxes are current or that the Applicant is current on a workout agreement with the Division of Taxation;

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(n) At the Corporation's discretion, a provision requiring the Applicant to pay the Corporation's reasonable attorneys' fees incurred in connection with the negotiation, execution and enforcement of the Incentive Agreement;

(o) Indemnification requirements;

(p) Default and remedies including events other than those set forth above, if any, that would trigger forfeiture or revocation of the awarded incentives;

(q) Reporting requirements including, but not limited to, any requirements under the Act; and

(r) Any other provisions that the Corporation determines are appropriate.

**Rule 16. Initial Certification.**

(a) An Applicant shall submit documentation, in a form prescribed in the Incentive Agreement, indicating that it has met the requirements specified in the Incentive Agreement for initial certification of its Tax Credit amount within three (3) years following the date of approval of its Application by the Board. The Corporation, upon written request from the Applicant and after a finding of good cause by the Board, may grant no more than two (2) six-month extensions of the deadline for initial certification.

(b) Upon a determination that the Applicant has met the requirements specified in the Incentive Agreement, the Corporation shall issue an Annual Certification to the Applicant providing that the Applicant is entitled to a Tax Credit for a specified year in an amount determined pursuant to the Incentive Agreement.

(c) An Applicant that fails to submit documentation to the Corporation indicating that it has met the employment requirements specified in the Incentive Agreement within four (4)

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years of the date of the Board's approval of Tax Credits for the Applicant shall forfeit any right to a Tax Credit pursuant to its Application and the Corporation shall terminate the Incentive Agreement with the Applicant.

(d) For the purposes of determining whether the Applicant has met the employment requirements in any given year, full-time employment for the year shall be determined as the average of the monthly full-time employment for such year.

**Rule 17. Annual Certification.**

(a) For each tax year in the Eligibility Period following the year of the initial Annual Certification, the Applicant shall submit documentation to the Corporation that it has met the requirements specified in the Incentive Agreement.

(b) The Tax Credit amount for any tax period for which documentation of an Applicant's credit amount remains uncertified as of a date one year after the closing date of that period shall be forfeited, although Tax Credit amounts for the remainder of the years of the eligibility period shall remain available to the Applicant. Forfeiture of a year's credit shall not extend the eligibility period.

**Rule 18. Use of Tax Credit.**

(a) The Tax Credit allowed under the Act may be used as a credit against corporate income taxes imposed under chapters 11, 13, 14, or 17 of title 44, or as specified in the Incentive Agreement, may be used as a credit against personal income taxes imposed under chapter 30 of title 44. No more than the amount of Tax Credits equal to the total credit amount divided by the number of years in the Eligibility Period may be taken in any tax period.

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(b) If the amount of the Tax Credit allowed under the Incentive Agreement exceeds the Applicant's total tax liability for the year in which the credit is allowed, the amount of such credit that exceeds the Applicant's tax liability may be carried forward and applied against the taxes imposed for the succeeding four (4) years, or until the full credit is used, whichever occurs first.

(c) Credits allowed to a Pass-Through Entity, or multiple owners of property shall be passed through to the persons designated as partners, members or owners respectively pro rata or pursuant to an executed Allocation Agreement.

**Rule 19. Issuance of Tax Credit Certificates.**

(a) Upon the presentation to the Tax Division of an Annual Certification from the Commerce Corporation, the Tax Division shall issue a Tax Credit Certificate to the Applicant or any eligible Initial Certificate Holder in the amounts and for the years as agreed to in the Incentive Agreement. If the Applicant is a Pass-Through Entity, the Tax Division may issue a Tax Credit Certificate to each Participant in such Pass-Through Entity indicating on the face of such Certificate(s) the amount of the Tax Credit allocable to such Participant. The amount assigned to each Participant will be the amount represented in the application for issuance of Tax Credit Certificates presented to the Tax Division.

(b) The amount allocated to each Participant on the Tax Credit Certificate issued to such Participant must be either (i) in proportion to the number of Participants in the Pass-Through Entity or (ii) determined in accordance with any allocation method set forth in an Allocation Agreement, which may be without regarding to their sharing of other tax or economic

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attributes of such entity. The Tax Division shall have no obligation to confirm the amount stated for each Participant in the Allocation Agreement.

**Rule 20. Assignment Of Tax Credits.**

(a) A Tax Credit Certificate may be assigned to any Person, provided that no Credit has been claimed based on the Tax Credit Certificate being assigned. The Tax Credit Certificate may be assigned by endorsing the assignment clause set forth on the Certificate and delivery of the original Certificate to the Assignee.

(b) The Assignee may use the Tax Credit only to offset the tax imposed for the taxable year in which the Credit is issued or for taxable years to which the Credit is permitted to be carried forward.

(c) An original executed copy of the Tax Credit Certificate shall be attached to the tax return of the Applicant, Participant or Assignee who desires to claim the Credit. A Participant of a Pass-Through Entity who transfers its interest in the entity must also endorse and deliver the Tax Credit Certificate to the transferee if the transferee desires to claim the Tax Credit.

(d) An Assignor of all or any portion of the Tax Credit, shall notify the Tax Division in writing within thirty (30) calendar days following the effective date of such assignment. Attached to such written notification (the Notification of Assignment) shall be:

(1) A copy of the Tax Credit Certificate, endorsed to the Assignee. The original Certificate shall not be included with the Notification of Assignment, which must be retained by the Assignee and attached to the Assignee's tax return for the year with respect to which the Tax Credit is claimed.

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- (2) The name, address and telephone number of the Assignor and of the Assignee.
- (3) The taxpayer identification number or social security number of the Assignor and the Assignee.
- (4) For non-resident corporations, partnerships, limited liability companies, or other entities, the name and address of such entity's registered agent in the State of Rhode Island and evidence of qualification to do business in Rhode Island.
- (e) If the holder of a Tax Credit Certificate desires to assign its interest in the Credit to more than one Assignee, the holder must request the Tax Division to reissue the original Certificate in such number of Certificates as the holder requires. The request must be made in writing, must specify the number of new Certificates required and the amount to be specified on each Certificate, and must attach the Original Certificate for cancellation by the Tax Division.
- (f) The Assignor of all or a portion of the Tax Credit shall not recognize any state income tax under the provisions of Title 44 of the General Laws with respect to the proceeds of such assignment. The Assignor of any Credit shall attach a copy of the Tax Credit Certificate to its tax return to evidence that such proceeds are not subject to state income tax. If the Tax Credit is subsequently recaptured, revoked or adjusted, the Assignor's tax calculation for the year of revocation, recapture, or adjustment shall be increased by the total amount of the sales proceeds, if any, without proration, as a modification under Chapter 30 of Title 44 of the General Laws. In the event that the Assignor is not a natural person, the Assignor's tax calculation under Chapters 11, 12, 13 (other than with respect to the tax imposed under section 44-13-13), 14, 17, or 30 of Title 44, as applicable, for the year of revocation, recapture, or adjustment, shall be increased by including the total amount of the sales proceeds, if any, without proration.

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(g) The Tax Division may assess reasonable administrative fees for issuing multiple Tax Credit Certificates or for reissuing Certificates.

**Rule 21. Redemption Of Tax Credits.**

(a) Upon request of a taxpayer holding a valid Tax Credit Certificate, the Tax Division shall redeem such credit in whole or in part for ninety percent (90%) of the value of the Tax Credit to the extent of available appropriated funds.

(b) A taxpayer seeking redemption of a Tax Credit shall file an application on the form prescribed by the Tax Division together with the original Tax Credit Certificate. The Tax Division shall pay the redemption amount within thirty (30) days of submission of a complete application by the taxpayer to the extent of available appropriated funds. To the extent of any insufficiency of funds, the Tax Division shall either return the original Tax Credit Certificate to the taxpayer or issue a new Tax Credit Certificate for such partial amounts that are not redeemed by the Tax Division.

**Rule 22. Revocation.**

(a) In the event that the attestation by the Applicant's chief executive officer, or equivalent officer, required under these Rules is found to be willfully false, upon notice from the Corporation, the Tax Division shall deny the issuance of or revoke any award of Tax Credits in their entirety, which revocation shall be in addition to any other criminal or civil penalties that the Applicant and/or the officer may be subject to under applicable law.

(b) Upon notice from the Corporation, the Tax Division shall deny the issuance of or revoke any award of Tax Credits if an Applicant or its successor-in-interest is convicted of

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bribery, fraud, theft, embezzlement, misappropriation, and/or extortion involving the state, any state agency or political subdivision of the state.

(c) Upon notice from the Corporation of a breach of an Incentive Agreement, the Tax Division shall deny the issuance of or revoke the Tax Credit Certificate and any fees paid shall be forfeited.

(d) The Tax Division shall notify the Applicant or its successor-in-interest in writing of the revocation of Tax Credits and/or that its right to receive Tax Credits has been terminated.

(e) If any Tax Credits have been claimed by any taxpayer based upon a Tax Credit Certificate that has been revoked, the Applicant or its successor-in-interest shall pay to the Tax Division an amount equal to the Tax Credit claimed. There shall be no adjustment to the Tax Credit claimed by the taxpayer if a taxpayer acquired the Tax Credit Certificate, directly or indirectly, from the Applicant or a Participant in the Applicant in an arms-length transaction, for value, and without notice of violation, fraud or misrepresentation.

(f) The Corporation may provide for additional rights and remedies in any Incentive Agreement, which will be in addition to the rights of revocation and termination provided under this Section.

**Rule 23. Administration and Examination of Records.**

(a) The Tax Division and its agents, for the purpose of ascertaining the correctness of any Credit claimed under the Act, may examine any books, papers, records or memoranda bearing upon the matters required to be included in the return, report or other statement, and may require the attendance of the Person executing the return, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other Person, and may examine the

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Person under oath respecting any matter which the Tax Division or its agents deems pertinent or material in determining eligibility for Credits claimed, and may request information from the Corporation, and the Corporation shall provide such information in all cases, to the extent not otherwise prohibited by statute.

(b) The Corporation may examine any books, papers, records or memoranda bearing upon the approval of incentives awarded under the Act, and may require the attendance of any person executing any Application, report or other statement, or of any officer or employee of any taxpayer, or the attendance of any other person, and may examine such person under oath respecting any matter which the Corporation deems pertinent or material in determining eligibility for incentives claimed under the Act.

**Rule 24. Inspection Rights.**

The Corporation and Tax Division shall have the right at reasonable times to make an inspection and to enter upon any property that is the subject of an Application during the term of an Incentive Agreement to verify compliance with the Act, the Rules, and such other conditions imposed by the Corporation.

**TAB 4**

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

**JULY 27, 2015**

**(With Respect to the Renewable Energy Fund Matters)**

**APPROVED**

**VOTED:** To approve the Renewable Energy Fund matters presented to the Board, pursuant to the Resolution attached hereto.

Dated: July 27, 2015

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

**July 27, 2015**

**(With Respect to Renewable Energy Fund Matters)**

WHEREAS, the Board of Directors has received information and a presentation regarding certain Renewable Energy Fund Applications and related matters at its meeting held on July 27, 2015.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: The Corporation approves a Renewable Energy Fund grant award to E2SOL LLC in the amount of \$9,522.00.

Section 2: The Corporation approves a Renewable Energy Fund grant award to Sabetti Construction, Inc., in the amount of \$91,860.00.

Section 3: The Corporation approves a Renewable Energy Fund grant award to Alteris Renewables, Inc., in the amount of \$84,459.00

Section 4: The Corporation approves a Renewable Energy Fund grant award to Sol Power, LLC, in the amount of \$193,349.00.

Section 5: The Corporation approves a Renewable Energy Fund grant award to SunWatt Solar, LLC, in the amount of \$6,578.00.

Section 6: The Corporation approves a Renewable Energy Fund grant award to US Solar Works, LLC, in the amount of \$26,601.40.

Section 7: The Corporation approves a Renewable Energy Fund grant award to Renewable Energy Solutions LLC, in the amount of \$39,338.00.

Section 8: The Corporation approves a Renewable Energy Fund grant award to SunWind, L.L.C., in the amount of \$3,726.00.

Section 9: The Corporation approves a Renewable Energy Fund grant award to Stateside Precision Group LLC, in the amount of \$60,968.75.

Section 10: Any of the Chairperson, Vice Chairman, Secretary of Commerce, Chief Operating Officer, Senior Economic Development Advisor, Chief Financial Officer and/or Managing Director of Financial Services, acting singly, shall have the authority to execute any and all documents in connection with the transactions authorized herein.

Section 11: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.



**Rhode Island Renewable Energy Development Fund**  
**RI Commerce Corporation**  
**2015 Small-Scale Solar Program**  
**Round 3 (Block 6) – Application Summaries**

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**Applicant 6-150:**    **E2SOL LLC**  
 5600 Post Rd. Suite 114-262  
 East Greenwich, RI 02818  
 401-489-2273  
 www.e2sol.com

**Contact:**            Anthony Baro

**Grant Request:**     \$9,522.00

**Purpose:** The design and installation of 8.28 kW of solar photovoltaic on 1 residence.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$9,522.00	19%
Customer Equity – 1 Customer	\$40,288.00	81%
<b>Total:</b>	<b>\$49,750.00</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$9,522.00	<b>\$1.15</b>
Customer Equity – 1 Customer	\$40,288.00	<b>\$4.86</b>
<b>Total:</b>	<b>\$49,750.00</b>	<b>\$6.01</b>
<b>Uses:</b> The installation of a total 8.28 kW of solar photovoltaic on 1 residence.		

**Application Summary:**

E2SOL LLC, a Rhode Island company, is applying for 8.28 kW of solar photovoltaic to be installed on 1 Charlestown home. This effort will help mitigate the effects of climate change on RI, lessen the bottlenecked demand for winter time natural gas as loads are converted over to electric, and move RI toward adoption of the resilient and efficient utility grid of the future. The use of these funds to install solar electric systems **will** significantly reduce or eliminate monthly the utility bills for this residence.





**Applicant 6-151:**      **Newport Solar**  
 14 Vernon Ave  
 Newport, RI 02840  
 (401) 787-5682  
[www.newportsolarri.com](http://www.newportsolarri.com)

**Contact:**                Doug Sabetti

**Grant Request:**        \$91,860.00

**Purpose:** The design and installation of 82.640 kW on 12 Rhode Island residences.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$91,860.00	36.63%
Customer Equity - 12 Customers	\$158,893.60	63.36%
<b>Total:</b>	<b>\$250,753.00</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$91,860.00	<b>\$1.11</b>
Customer Equity – 12 Customers	\$158,893.60	<b>\$1.92</b>
<b>Total:</b>	<b>\$250,753.00</b>	<b>\$3.03</b>
<b>Uses:</b>		
The installation of 82.640 kW on 12 Rhode Island residences.		

**Application Summary:**

The proposed project is an 82.640 kW residential PV installation. This project aligns with the goal of increasing solar electricity generation in Rhode Island. This effort will help mitigate the effects of climate change on RI, lessen the bottlenecked demand for winter time natural gas as loads are converted over to electric, and move RI toward adoption of the resilient and efficient utility grid of the future. The use of these funds to install solar electric systems will significantly reduce or eliminate the monthly utility bills for these 12 residences. Mr. Sabetti, owner of Newport Solar, has applied to the REF grant program in 2013, 2014, and rounds 1 and 2 of 2015 and in his own words he found the program helpful to the development and success of his business.

Small-Scale Solar Application Checklist and Sign-off  
Solar Photovoltaic Projects  
BLOCK 6 - 2015

Company/Entity: **Newport Solar**  
 Address: **376 Dry Bridge Road Unit J-3**  
 Contact name: **Doug Sabetti**  
 # projects in group contract: **12**  
 Total kW applied for: **82.64**  
 Total requested incentive: **\$91,860.00**  
 Total Project Cost: **250,753.60**  
 Non-REF Funded: **158,893.60**

Additional Requirements: Solar photovoltaic

Applicant name	kW	requested grant	eligible grant	Total Project Cost	Signed Contract	Minimum 3 year workmanship warranty	ROI/sample payback	Electricity bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis 80% TSRF	Manufacturer specs of panels	Manufacturer specs of inverter	One-line electric drawing
Charlotte Anon	10.08	\$ 10,000.00	\$ 10,000.00	\$ 33,041.60	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Tom Burtham	9.12	\$ 9,000.00	\$ 9,000.00	\$ 28,304.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Henry Duchier	7.76	\$ 7,500.00	\$ 7,500.00	\$ 20,020.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Thomas Frank	6.12	\$ 6,000.00	\$ 6,000.00	\$ 19,840.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Patrice P Shea	7.56	\$ 7,084.00	\$ 7,084.00	\$ 19,404.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Benjamin Mizell	7.56	\$ 6,684.00	\$ 6,684.00	\$ 21,546.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Chris Nelson	3.96	\$ 4,000.00	\$ 4,000.00	\$ 11,256.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Paul Olson	3.32	\$ 3,864.00	\$ 3,864.00	\$ 16,226.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Jason Perkins	3.92	\$ 4,508.00	\$ 4,508.00	\$ 11,956.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Tiffany Virra	8.96	\$ 10,000.00	\$ 10,000.00	\$ 26,288.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
John Ziebro	2.8	\$ 3,220.00	\$ 3,220.00	\$ 9,240.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Notes:

Meets all requirements and is eligible for funding. YES

Recommended for approval by REF Staff: YES

Renewable Energy Program Manager Signature

*Annie Ratanasim*

20-Jul-15



**Applicant 6-153:** **RGS Energy**  
 1007 Waterman Ave.  
 East Providence, RI 02914  
 (303) 222-8474  
[www.rgsenergy.com](http://www.rgsenergy.com)

**Contact:** Megan Roquemore

**Grant Request:** **\$84,459.00**

**Purpose:** The design and installation of 89.460 kW of solar photovoltaic on 11 Rhode Island residences.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$84,459.00	22%
Customer Equity – 11 Customers	\$298,809.82	78%
<b>Total:</b>	<b>\$383,268.82</b>	<b>100%</b>
		<b>\$ / watt:</b>
RI Renewable Energy Fund	\$84,459.00	\$.95
Customer Equity – 11 Customers	\$298,809.82	\$3.34
<b>Total:</b>	<b>\$383,268.82</b>	<b>\$4.28</b>
<b>Uses:</b>		
The installation of a total 89.460 kW on 11 Rhode Island Residences.		

**Application Summary:**

RGS Energy has been located and operating in Rhode Island for many years, formerly as Alteris Renewables and as SolarWrights and Solar Works prior to those mergers. RGS Energy will subsidize each of their customer's turnkey contract prices by up to \$1.15 per watt with the approval of this REF award. By contracting directly with RGS Energy, Commerce RI is able to ensure that this company has a robust pipeline from which to continue maintaining a major regional presence in Rhode Island.

Small-Scale Solar Application Checklist and Sign-off  
Solar Photovoltaic Projects  
BLOCK 6 - 2015

Company/Entity:	RG5 Energy
Address:	1007 Waterman Ave, East Providence, RI 02914
Contact name:	Megan Roquemore
# Projects in group contract:	11
Total kW applied for:	84.459.00
Total requested incentive:	\$ 383,268.82
Total Project Cost	\$ 298,809.82
Non-REF Funded	\$

Additional Requirements: Solar Photovoltaic

Applicant name	kW	requested grant	eligible grant	Total Project Cost	Signed Turnkey Contract	Minimum 3 year workmanship warranty	ROI/ simple payback	Electricity bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis 80% TSPF	Manufacturer specs of panels	Manufacturer specs of inverter	One-line electric drawing
Ferrelli, Nancy	7.14	\$ 8,211.00	\$ 8,211.00	\$ 29,779.44	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Frank, James	15.3	\$ 10,000.00	\$ 10,000.00	\$ 67,137.05	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Goto, Karl	5.1	\$ 5,865.00	\$ 5,865.00	\$ 18,839.72	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Grantham, Kathryn	8.5	\$ 9,775.00	\$ 9,775.00	\$ 39,642.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Gustafson, Kevin	4.59	\$ 5,278.50	\$ 5,278.50	\$ 21,220.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Jones, Andrew	6.09	\$ 6,957.50	\$ 6,957.50	\$ 30,047.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Martin, Wayne	9.52	\$ 10,000.00	\$ 10,000.00	\$ 34,905.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Sherman, Karen	4.2	\$ 4,830.00	\$ 4,830.00	\$ 15,500.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Ung, Laydaisy	3.08	\$ 3,000.00	\$ 3,000.00	\$ 15,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Ward, Vincent	8.68	\$ 10,000.00	\$ 10,000.00	\$ 34,732.81	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Warner, Ed	16.8	\$ 10,000.00	\$ 10,000.00	\$ 79,945.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>Total</b>	<b>89.46</b>	<b>\$ 84,459.00</b>	<b>\$ 84,459.00</b>	<b>\$ 383,268.82</b>												

Notes:

Meets all requirements and is eligible for funding. YES

Recommended for approval by REF Staff: YES

Renewable Energy Program Manager Signature

*Annia Ratanasain*

20-Jul-15



**Applicant 6-152:**     **Sol Power, LLC**  
 6 Messer St. #9  
 Providence, RI 02909  
 401-680-0765  
[www.solpowersolar.com](http://www.solpowersolar.com)

**Contact:**             Eric Beecher

**Grant Request:**     **\$193,349.00**

**Purpose:** The design and installation of 177.885 kW on 24 Rhode Island Residences.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$193,349.00	29%
OER SRP Incentive	\$31,162.54	5%
Customer Equity - 24 Customers	\$440,853.46	66%
<b>Total:</b>	<b>\$665,365.00</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$193,349.00	\$1.09
OER SRP Incentive	\$31,162.54	\$.18
Customer Equity – 24 Customers	\$440,853.46	\$2.48
<b>Total:</b>	<b>\$665,365.00</b>	<b>\$3.75</b>
<b>Uses:</b>		
The installation of 177.885 kW on 24 Rhode Island Residences.		

**Application Summary:**

The proposed 24 projects are 177.885 kW of residential PV installation. SolPower, LLC will make the Rhode Island solar industry more competitive by giving customers another option for solar projects. This project aligns with the goal of increasing solar electricity generation in Rhode Island. This effort will help mitigate the effects of climate change on RI, lessen the bottlenecked demand for winter time natural gas as loads are converted over to electric, and move RI toward adoption of the resilient and efficient utility grid of the future.

Small-Scale Solar Application Checklist and Sign-off  
Solar Photovoltaic Projects  
BLOCK 6 - 2015

Company/Entity:	Sol Power LLC
Address:	6 Messer St. #9
Contact name:	Eric Blecher
# projects in group contract:	24
Total kW applied for:	177.9
Total requested incentive:	\$ 193,349.00
Total Project Cost:	\$ 640,852.46
Non-REF Funded:	\$ 440,852.46

Additional Requirements: Solar PhotoVoltaic

Applicant name	kW	requested grant \$	eligible grant \$	Total Project Cost	Signed Turnkey Contract	Minimum 3 year workmanship warranty	ROI/ simple payback	Electricity bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (Photos and summary sheet)	Shade Analysis 80% TSRF	Manufacturer specs of panels	Manufacturer specs of inverter	One-line electric drawing
Andrew Sumburg	8.635	\$ 10,000.00	\$ 10,000.00	\$ 32,425.45	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Anthony Klick	5.415	\$ 6,227.25	\$ 6,227.25	\$ 21,227.25	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Bill Mackintosh	6.27	\$ 7,210.50	\$ 7,210.50	\$ 21,110.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Bob Kushen	3.135	\$ 3,605.25	\$ 3,605.25	\$ 11,442.75	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Cam Church (100 East Main Rd)	3.99	\$ 4,588.50	\$ 4,588.50	\$ 14,962.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Chad Valcourt	6.84	\$ 7,866.00	\$ 7,866.00	\$ 24,418.80	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Charles Lawrence	9.69	\$ 10,000.00	\$ 10,000.00	\$ 33,915.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Danie Heyman	5.7	\$ 6,555.00	\$ 6,555.00	\$ 20,349.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
David Aitern	11.97	\$ 10,000.00	\$ 10,000.00	\$ 48,890.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Don Hunwitz	8.98	\$ 10,000.00	\$ 10,000.00	\$ 32,883.20	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Ebaine Bristol	8.12	\$ 9,336.00	\$ 9,336.00	\$ 29,800.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Frank Lewis	8.55	\$ 9,832.50	\$ 9,832.50	\$ 30,573.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Gary Decosta	7.125	\$ 8,193.75	\$ 8,193.75	\$ 25,446.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Janet Myrin	8.55	\$ 9,832.50	\$ 9,832.50	\$ 30,763.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Jim Gleason	9.12	\$ 10,000.00	\$ 10,000.00	\$ 33,856.40	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Lex Gardner	10.08	\$ 10,000.00	\$ 10,000.00	\$ 38,002.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Lisa Kusnitz	7.98	\$ 9,177.00	\$ 9,177.00	\$ 29,127.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mel Hensch	5.7	\$ 6,555.00	\$ 6,555.00	\$ 20,805.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Mike Shand	7.695	\$ 8,849.25	\$ 8,849.25	\$ 26,240.65	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Miriam Scott	8.55	\$ 9,832.50	\$ 9,832.50	\$ 30,074.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Pam Church (114 Sakonnet Point)	6.27	\$ 7,210.50	\$ 7,210.50	\$ 22,885.50	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Peter Fox Penner	5.13	\$ 5,899.50	\$ 5,899.50	\$ 20,307.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Robert Bart	11.97	\$ 10,000.00	\$ 10,000.00	\$ 39,000.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
Susan Jarvis	2.24	\$ 2,576.00	\$ 2,576.00	\$ 9,184.00	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>177.9</b>		<b>\$ 193,349.00</b>	<b>\$ 193,349.00</b>	<b>\$ 663,365.00</b>												

Notes:

Meets all requirements and is eligible for funding. YES

Recommended for approval by REF Staff: YES

Renewable Energy Program Manager Signature

*Annie Rotanasin*

20-Jul-15



**Applicant 6-158:**     **US Solar Works**  
                               7 North Main St.  
                               Attleboro, MA 02703  
                               www.ussolarworks.com

**Contact:**               Pete Fine

**Grant Request:**       **\$26,601.40**

**Purpose:** The design and installation of 28.926 kW of solar photovoltaic on 3 Rhode Island residences.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$26,601.40	20%
Customer Equity - 3 Customers	\$113,297.50	80%
<b>Total:</b>	<b>\$139,899.00</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$26,601.40	\$.99
Customer Equity - 3 Customers	\$113,297.50	\$3.91
<b>Total:</b>	<b>\$139,899.00</b>	<b>\$4.90</b>
<b>Uses:</b>		
The design and installation of 28.962kW of solar photovoltaic on 3 Rhode Island residences.		

**Application Summary:**

This project will create several part-time jobs for Rhode Island laborers, electricians, and engineers. The length of the construction process will be approximately one week from start to finish. The annual energy savings of the residential customer will result in greater disposable income, which will likely end up being spent in the local economy which will benefit the local community, and the state as a whole.





**Applicant 6-154: Renewable Energy Solutions**  
 181 Conant St. Unit B  
 Pawtucket, RI 02860  
 401-569-3010  
[www.res.solar](http://www.res.solar)

**Contact:** Steven DePina

**Grant Request:** \$39,338.00

**Purpose:** The design and installation of a 39.245 kW of Solar Photovoltaic on 4 residential properties.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$39,338.00	20%
Customer Equity – 4 Customers	\$160,821.87	80%
<b>Total:</b>	<b>\$200,159.87</b>	<b>100%</b>
		<b>\$ / watt:</b>
RI Renewable Energy Fund	\$39,338.00	\$1.00
Customer Equity – 4 Customers	\$160,821.87	\$4.09
<b>Total:</b>	<b>\$200,159.87</b>	<b>\$5.00</b>
<b>Uses:</b>		
Installation of a total of 39.245 kW of Solar PV on 4 Rhode Island homes.		

**Application Summary:**

Renewable Energy Solutions has not applied for this grant in the past and we are looking forward to helping them expand in Rhode Island. . By supporting this company, the state will benefit from the creation of jobs, the reduction of carbon emissions, and the decrease dependence on foreign oil. These 4 projects will use the REF grant to cut the cost of the total project, therefore making the homeowners ROI more attractive. The homeowners will benefit from the reduced utility bills





**Applicant 6-155:**     **SunWind LLC**  
 300 Cranberry Highway  
 Orleans, MA 02653  
 888-997-8694  
 www.sunwindLLC.com

**Contact:**             Timothy Holmes

**Grant Request:**     **\$3,726.00**

**Purpose:** The design and installation of 3.24 kW of solar photovoltaic on 1 Rhode Island home.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$3,726.00	21%
Customer Equity – 1 Customer	\$14,274.00	79%
<b>Total:</b>	<b>\$18,000.00</b>	<b>100%</b>
		<b>\$ / watt:</b>
RI Renewable Energy Fund	\$3,726.00	\$1.15
Customer Equity – 1 Customer	\$14,274.00	\$4.40
<b>Total:</b>	<b>\$18,000.00</b>	<b>\$5.55</b>
<b>Uses:</b>		
The installation of a total 3.24 kW solar PV on 1 RI home.		

**Application Summary:**

SunWind has not worked with REF in the past; however, by supporting this project we hope to gain more options of installer for homeowners and business owners seeking solar in the state. Although the company currently does not use RI employees, our hope is that by increasing their presence in RI they may expand and therefore create local jobs. This 3.24 kW solar photovoltaic system will decrease the utility bill for this residence, as well as decreasing pressure on the grid, contributing to a cleaner and more sustainable energy source and therefore, lowering the states carbon footprint.

Small-Scale Solar Application Checklist and Sign-off  
Solar Photovoltaic Projects  
BLOCK 6 - 2015

Company/Entity: SunWind LLC  
 Address: 300 Cranberry Highway, Orleans, MA  
 Contact name: Timothy Holmes  
 # projects in group contract: 1  
 total kW applied for: 3.24  
 total requested incentive: \$3,726.00  
 Total Project Cost: \$18,000.00  
 Non-REF Funded: \$14,274.00

Additional Requirements: Solar photovoltaic:

Applicant name	kW	requested grant	eligible grant	Total Project Cost	Signed Turnkey Contract	Minimum 3 year workmanship warranty	ROI/ simple payback	Electricity bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and primary sheet)	Shade Analysis 60% TSPF	Manufacturer specs for panels	Manufacturer specs for inverter	One-line electric drawing
Alan Hassenfeld	3.24	\$ 3,726.00	\$ 3,726.00	\$ 18,000.00	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	3.24	\$ 3,726.00	\$ 3,726.00	\$ 18,000.00												

Notes:

Meets all requirements and is eligible for funding.

Recommended for approval by REF Staff: \_\_\_\_\_

Renewable Energy Program Manager Signature

*Annie Ratanasim*

20-Jul-15



**Applicant 6-157:**     **Newport Renewables**  
 38 Washington Square  
 Newport, RI 02840  
 (401) 619-5906  
[www.nptre.com](http://www.nptre.com)

**Contact:**             Marc Larue

**Grant Request:**     **\$60,968.75**

**Purpose:** The design and installation of 54.72 kW of solar photovoltaic on 8 Rhode Island homes.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$60,968.75	28%
Customer Equity – 8 Customers	\$159,250.75	72%
<b>Total:</b>	<b>\$220,219.50</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$60,968.75	\$1.12
Customer Equity – 8 Customers	\$159,250.75	\$2.91
<b>Total:</b>	<b>\$220,219.50</b>	<b>\$4.03</b>
<b>Uses:</b>		
The installation of a total 54.72 kW of solar photovoltaic on 8 Rhode Island homes.		

**Application Summary:**

This project will create several part- time jobs for Rhode Island laborers, electricians, and engineers. The annual energy savings of the residential customer will result in greater disposable income, which will likely end up being spent in the local economy which will benefit the local community, and the state as a whole. The project will also benefit Newport Renewables, which has recently hired three full-time employees in order to handle the growing workload derived from an exponential increase in projects. These projects will contribute to Rhode Island’s clean energy goals as well as have a positive impact on the environment, local economy, and solar industry.





**Applicant 6-156:** SunWatt Solar, LLC  
 98 Dupont Dr.  
 Providence, RI 02907  
 (401) 714-9381  
[www.sunwatt.solar](http://www.sunwatt.solar)

**Contact:** Gail Scanlon

**Grant Request:** \$6,578.00

**Purpose:** The design and installation of 5.72 kW of solar photovoltaic on 1 Rhode Island home.

**Sources and Uses:**

<b>Sources:</b>		
RI Renewable Energy Fund	\$6,578.00	29%
Customer Equity - 1 Customer	\$16,302.00	71%
<b>Total:</b>	<b>\$22,880.00</b>	<b>100%</b>
<b>Dollar per Watt:</b>		
RI Renewable Energy Fund	\$6,578.00	\$1.15
Customer Equity – 1 Customer	\$16,302.00	\$2.85
<b>Total:</b>	<b>\$22,880.00</b>	<b>\$4.00</b>
<b>Uses:</b>		
The installation of a total 5.72 kW of solar photovoltaic on 1 Rhode Island home.		

**Application Summary:**

These funds will help finance a PV project which has been designed to offset the energy needs of the residence. This project will create several part-time jobs for Rhode Island laborers, electricians, and engineers. Also, this project contributes to Rhode Island's clean energy and energy efficiency goals, a cleaner environment and keeping Rhode Islanders working and by reducing our dependence on foreign energy sources.

Small-Scale Solar Application Checklist and Sign-off  
Solar Photovoltaic Projects  
BLOCK 6 - 2015

Company/Entity: Sunwatt Solar, LLC  
 Address: 98 Dupont Dr.  
 Contact name: Gail Scanlon  
 # projects in group contract: 1  
 total kW applied for: 5.72  
 total requested incentive: \$6,578.00  
 Total Project Cost: \$22,880.00  
 Non-REF Funded: \$16,302.00

Additional Requirements: Solar photovoltaic

Applicant name	kW	requested grant \$	eligible grant \$	Total Project Cost	Signed Turnkey Contract	Minimum 3 Year workmanship warranty	ROI/ simple payback	Electricity bill	Layout drawing	Aerial image	Photo - Southern Exposure	Shade Analysis (photos and summary sheet)	Shade Analysis 80% TSPF	Manufacturer specs of panels	Manufacturer specs for inverter	One-line electric drawing
Diana Kustiner	5.72	\$ 6,578.00	\$ 6,578.00	\$ 22,880.00	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	5.72	\$ 6,578.00	\$ 6,578.00	\$ 22,880.00												

Notes:

Meets all requirements and is eligible for funding.  Yes

Recommended for approval by REF Staff:  Yes

Renewable Energy Program Manager Signature

*Annie Ratanasim*

20-Jul-15

**TAB 5**

## MEMORANDUM

To: Commerce Corporation Board of Directors  
From: Dan Jennings  
Re: Grant Proposal with the URI Foundation/URI  
Date: July 24, 2015

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The Commerce Corporation is seeking board approval to enter into a contract with the University of Rhode Island, through the University of Rhode Island Foundation (the "Foundation"), to partner on an initiative to grow the pipeline of software developers and IT talent in Rhode Island. There is increasing evidence that companies in Rhode Island are finding it difficult to attract technically skilled talent including IT professionals, software developers, and other key personnel. In response to this challenge, several Rhode Island companies have opened up or are exploring satellite operations in other states where talent of this nature is more abundant. Unless we address this issue, our efforts to attract and grow companies in advanced industries will be hampered.

The goal of this initiative is to produce a strategy that:

- 1) Builds on and coordinates efforts underway. For example, DLT and Tech Collective are partnering on an initiative to train underemployed residents for current tech opportunities.
- 2) Engages every institution and sector that has a role to play, including our universities, middle and high schools, tech companies, large employers and training providers.

URI through the URI Foundation and the Commerce Corporation have identified a candidate, Lee Pichette, to quarterback the development and implementation of this effort. Lee is currently a senior product manager at a local technology company and is an active member of the tech and economic development community in Rhode Island.. We are proposing a contract term of 12 months with the Foundation, who in turn will enter into the same contract term with Lee. Lee's fee will be \$150,000. Commerce will pay \$100,000 and the URI Foundation will contribute \$50,000. The contract term will begin in early to mid-August.

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

**JULY 27, 2015**

**(With Respect to a Grant Proposal)**

**APPROVED**

**VOTED:** To approve a grant proposal with the University of Rhode Island Foundation as presented to the Board, pursuant to the Resolution attached hereto.

Dated: July 27, 2015

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

**July 27, 2015**

**(With Respect to a Grant Proposal with the URI Foundation)**

WHEREAS, the Rhode Island Commerce Corporation (the "Corporation") received a presentation regarding a grant proposal with the University of Rhode Island Foundation (the "Foundation").

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

Section 1: The Corporation agrees to provide a grant (the "Grant") of up to \$100,000, subject to a match of \$50,000 from the Foundation, and any of the Chairperson, Vice Chairperson, Secretary of Commerce, Chief Operating Officer, Chief Financial Officer and/or Senior Economic Development Advisor, acting singly (the "Authorized Officers"), is hereby authorized to enter into an agreement in substantially the form annexed hereto as Exhibit A.

Section 2: The Authorized Officers shall each have the authority to negotiate and execute any and all other documents and take such actions as may be reasonably necessary in connection with the Grant.

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

## EXHIBIT A

### Resolution With Respect to a Grant Proposal with the URI Foundation

#### MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“Agreement”) is hereby entered into as of July \_\_\_ 2015, by and between the Rhode Island Commerce Corporation (the “Corporation”) and the University of Rhode Island Foundation (the “Grantee”). The Corporation and the Grantee are collectively referred to herein as the “Parties”.

WHEREAS, the Grantee is a not for profit organization and part of its mission is to foster the development of a positive and productive business climate for its community through economic development initiatives;

WHEREAS, the Corporation is the lead state economic development organization with the mission to work with public, private and non-profit partners to create the conditions for businesses in all sectors to thrive and to improve the quality of life for our citizens by promoting the State's long-term economic health and prosperity;

WHEREAS, in order to enhance economic development opportunities in Rhode Island, and be consistent with the missions and goals of both organizations it is recognized that Rhode Island needs to continue to foster a strategy for the development of new technology talent in the state;

WHEREAS, the Grantee and the Corporation agree to the importance of collaboration as a means to leverage the comparative strengths of each organization to deliver the highest value-added economic development services in the most cost effective way to the communities and businesses of Rhode Island; and

WHEREAS, the Grantee will contribute financial and staff resources and the Corporation is also willing to contribute financial and staff resources.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the Parties hereto agree to the following:

#### I. PROJECT OBJECTIVES

The execution of this Agreement serves to engage the parties in a mutually beneficial effort to create a strategy for driving economic growth through the development of new technology talent in the State.

#### II. PROJECT DELIVERABLES

The Grantee and the Corporation will work cooperatively to implement and execute a four phase effort, which will include analysis, strategy development, implementation planning and program development and transition as detailed on Exhibit A (the “Project”).

#### III. PROGRAM ADMINISTRATION PERIOD

The program period for this Agreement is August \_\_\_, 2015 through August \_\_\_, 2016, unless sooner terminated.

#### IV. CONTRIBUTION & SUPPORT

The Grantee shall provide staffing, financial and other resources to implement and execute the Project. The Grantee will provide matching funds in the amount of \$50,000.

The Corporation shall provide staff resources to implement and execute the Project and shall also provide a grant in an amount up to \$100,000, which shall be funded in monthly disbursements of \$10,000 commencing on August \_\_, 2015 and continuing through May \_\_, 2016. The Corporation shall retain the right to authorize and approve all expenditures of Corporation grant funds and the Grantee shall enter into no financial commitment in relation to these grant funds without the approval of the Corporation.

#### V. PUBLICITY

The Corporation and the Grantee shall review and approve all news releases or publicity related to the Agreement and the deliverables obtained through performance hereunder.

#### VI. NATURE OF PROJECT & DELIVERABLES

Both Parties hereby understand, agree and acknowledge that:

1. The Project is being undertaken in the public interest;
2. The deliverables provided for hereunder are for informational purposes only; and
3. Neither the Corporation nor the Grantee makes any warranties or guarantees, express or implied, regarding the deliverables provided pursuant to this Agreement and the quality thereof.

#### VII. TERMINATION

This Agreement may be terminated by either party upon thirty days' notice in writing to the other and in such event neither party shall have any further obligation to the other inclusive of any further funding commitments, except as agreed upon in writing by the Parties. Any contract or agreement entered into by the Grantee committing grant funds shall incorporate a similar termination provision unless agreed to in writing by the Corporation, and in no event shall any third-party have rights under this Agreement, or any claim to the funds provided for pursuant to this Agreement.

#### VIII. RELATIONSHIP, COMPLIANCE WITH LAWS & INSURANCE

The Parties' relationship to each other shall be that of independent contractors. Nothing contained in this Agreement shall make the employees of one Party the employees of the other. Each Party shall be responsible for managing the affairs of its own respective organization, and in the conduct of their business and in the performance of their respective obligations under this Agreement both Parties shall comply with all applicable statutes, ordinances, rules, regulations and licensing requirements of any and all federal, state, and municipal authorities. In addition, each Party shall maintain customary, appropriate and, if necessary by law,

required levels of insurance insuring their respective facilities and obligations hereunder (for example, general liability; property & automobile; workers' compensation) during the term of this Agreement.

IX. NON-DISCRIMINATION

The Parties shall perform their respective obligations hereunder without regard to the race, color, sex, sexual orientation, gender identity or expression, age, religion, national origin, disability, veteran status, or any other basis protected under applicable federal or state law of any employee, student or representative.

X. MISCELLANEOUS PROVISIONS

1. Notices: Any notice, request or other communication required to be given under this Agreement shall be in writing and shall be deemed to have been given when delivered in person or being deposited in the mail to the Party. Except as changed by notice in writing to the other Party, notice shall be delivered to the attention of the following individuals at the respective Party's address noted:

2. For the Corporation:

Darin Early, COO  
RI Commerce Corporation  
315 Iron Horse Way  
Providence, RI 02908

For the Grantee:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Assignment: Neither Party may assign its rights or obligations under this Agreement without the prior written consent of the other Party.

4. Entire Agreement & Amendment: This Agreement constitutes the final expression of the agreement between the Parties in relation to the subject matter hereof; it is intended as a complete and exclusive statement of the terms of their agreement; and it supersedes all prior and concurrent promises, representations, negotiations, discussions and agreements that may have been made in connection with the subject matter hereof. This Agreement shall not be changed, modified, supplemented or amended except by express written agreement signed by both Parties.

5. No Waiver: Neither Party shall be deemed to waive any rights hereunder unless such waiver is in writing and signed by both Parties. The failure of either Party to execute a right or to require performance by the other Party of any part of this Agreement shall not affect the full right to exercise such right or to require performance at any time thereafter, nor shall the waiver by either party of a breach of any provision of this Agreement constitute a waiver of any later breach of the same or any other provision.

6. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of Rhode Island, without giving effect to its conflict of laws rules. The venue for any dispute arising hereunder shall be the federal and state courts for the State of Rhode Island.

- 7. Counterparts: This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall be deemed one and the same agreement.
- 8. Headings: The headings of this Agreement are inserted for convenience only and are not to be considered in construction of the provisions hereof.

*REMAINDER OF PAGE INTENTIONALLY LEFT BLANK*

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective, duly authorized officers as of the date first written above.

**RHODE ISLAND  
COMMERCE CORPORATION**

**UNIVERSITY OF RHODE ISLAND  
FOUNDATION**

Authorized Official:

Authorized Official:

\_\_\_\_\_  
**Darin Early**  
**Chief Operating Officer**

\_\_\_\_\_

## EXHIBIT A

### Phase 1: Analysis

- 1) Analyze the RI workforce and review URI admission data to identify populations that can be targeted for increasing tech talent in the short term (e.g. unemployed) or long term (e.g. middle school students).
- 2) Meet with stakeholders and faculty members who currently serve the target population that we prioritize.
- 3) Conduct one-on-one research meetings with sufficient members of the target population to carry out the purposes of the grant and as agreed to between the parties.
- 4) Deliverable: Power Point presentation with research used to recommend a target population.

### Phase 2: Strategy

- 1) Evaluate tech industry initiatives in other places (e.g. NYC Tech Talent Pipeline) that are designed to serve the target population recommended in phase 1.
- 2) Summarize the landscape of stakeholders in RI currently serving the target population and identify potential partners.
- 3) Coordinate with other organizations (e.g. Opportunity at Work) and local businesses (e.g. Bridget Technical Talent) to determine which tech skills and credentials are in demand.
- 4) Meet with a sufficient number employers to discuss their requirements for creating and filling new tech jobs as necessary to carry out the purposes of the grant and as agreed to between the parties.
- 5) Evaluate opportunities for URI to create programs for the target population that could meet the requirements of employers (e.g. certificate programs, summer intensive training, under grad courses, and a 2 1/2 year software development program).
- 6) Review initial ideas with key stakeholders and create a strategy for increasing tech talent in RI.
- 7) Deliverable: Power Point and white paper presentation that includes a recommended strategy for increasing tech talent in RI and a high-level concept for a program that could be developed to support the recommended strategy.

### Phase 3: Implementation Plan

- 1) Create a project plan for developing a pilot program and engaging participants.
- 2) Create a marketing strategy for engaging the business community.
- 3) Create a budget that outlines the technology and talent required to develop the pilot program.
- 4) Deliverable: Project plan and budget for creating new programs.

### Phase 4: Program Development & Transition

- 1) Meet with representatives in the tech sector to explore partnership opportunities for URI and Commerce RI.
- 2) Identify resources, assist in hiring process, and define key success metrics.
- 3) Deliverable: Document describing partnership opportunities and recommended next steps.

**TAB 6**

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

**JULY 27, 2015**

**(With Respect to the Designation of Certain Authority for the REF Program)**

**APPROVED**

**VOTED:** To approve the grant of authority to staff to approve certain renewable energy fund awards pursuant to the Resolution attached hereto.

Dated: July 27, 2015

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

**July 27, 2015**

**(With Respect to Renewable Energy Fund Matters)**

WHEREAS, the Board of Directors has received information and a presentation regarding the approval process for awards under the Renewable Energy Fund program at its meeting held on July 27, 2015.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: Any two of the Chief Operating Officer, the Managing Director of Financial Services, the Chief Financial Officer or the Senior Economic Development Advisor, acting together, are hereby authorized to approve any application meeting the requirements of the rules and regulation for the Renewable Energy Fund program in an amount not to exceed \$350,000.00.

Section 2: Renewable Energy Fund program staff will make a quarterly presentation to the Board detailing the awards granted during the prior quarter.

Section 3: The Corporation approves the addition of the following officers of the Corporation as authorized signatories under all prior resolutions of the Corporation approving Renewable Energy Fund awards: the Managing Director of Financial Services, the Chief Financial Officer or the Senior Economic Development Advisor.

Section 4: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.

**TAB 7**

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

**JULY 27, 2015**

**(With Respect to Corporation Governance)**

**APPROVED**

**VOTED:** To approve the amendment of prior resolutions of the Corporation to include the Chief Executive Officer and the Chief Operating Officer (“COO”) as authorized officers and to add the designation of President of the Corporation to the COO pursuant to the Resolution attached hereto.

Dated: July 27, 2015

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

**July 27, 2015**

**(Regarding Corporate Governance)**

WHEREAS, the Board of Directors has received information regarding the addition of the Chief Executive Officer and the Chief Operating Officer as signatories under prior resolutions of the Board and providing for the additional designation of President to the Chief Operating Officer at its meeting held on July 27, 2015.

NOW, THEREFORE, be it resolved by the Rhode Island Commerce Corporation (the "Corporation") as follows:

Section 1: The Corporation approves the addition of the Chief Executive Officer and Chief Operating Officer as authorized signatories and/or authorized officers under all prior resolutions of the Corporation and such officers shall implement and carryout the intent of such resolutions in accordance with the grant of authority provided thereunder as amended by this resolution.

Section 2: The Chief Operating Officer is hereby granted the additional designation of President; and

Section 3: This Resolution shall take effect immediately upon passage by the Corporation's Board of Directors.