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Testimony to
Revenue Estimating Conference

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Rebuild Rhode Island Tax Credit Program

Approvals Since October Conference

1 Rebuild project has been approved by the Board since the October Conference



Project	Rebuild Award	Est. Delivery
Studley Building	\$400,000	FY 2024



The Studley Building (Providence)

Rebuild Rhode Island Tax Credits & Sales Tax Rebates

Redemptions to the Rebuild Rhode Island tax credits are funded by a separate and dedicated escrow account that is funded annually via an appropriation. This escrow account was created to not only offset the liability created by the granting of the committed tax credits, but also provides surety to a lender or buyer of the tax credits that funds will be available for future redemptions. Both the Sales and Use Tax redemption and the net use of tax credits are funded by this escrow account. Therefore, there is no impact on state revenues associated with the Rebuild Rhode Island tax credit program beyond the annual appropriation.

As of April 18, 2022, we have certified \$34.2 million in Rebuild Tax credits and \$9.3 million in sales tax which totals up to \$43.5 million for the life of the program.

FY 2022:

Anticipating 23 total Rebuild RI Tax Credit certifications totaling \$17.6 million (22 projects have already certified)

- Anticipating 5 related Sales and Use Tax certifications totaling \$3.5 million (4 projects have already certified)
- **Combined \$21.1 million total draw on Rebuild Fund**

FY 2023:

- Anticipating 43 Rebuild RI Tax Credit certifications totaling \$21.6 million
- Anticipating 7 related Sales and Use Tax certifications totaling \$13.9 million
- **Combined \$35.5 million total draw on Rebuild Fund**



Wanskuck Mill (Providence)

Tax Increment Finance Incentive Program

PILOT Projects

- PILOT structures involve payments that are made directly by the TIF recipients to an escrow account managed by the Commerce Corporation for the benefit of the financing, and thus are not reflected in state revenue estimates.

FY 2022

- Disbursed 4 Pilot project payments totaling \$1.1 million ⁽¹⁾**
 - Hyatt Place (Warwick): \$221,920
 - Homewood Suites (Providence): \$292,009
 - Residence Inn (Providence): \$308,097
 - Fairfield Inn* (South Kingstown): \$229,220

FY 2023

- 4 PILOT projects expected to be disbursed in FY 2023**
- Estimated total payments of \$1.6 million**
 - Hyatt Place (Warwick): \$299,083
 - Homewood Suites (Providence): \$308,558
 - Residence Inn (Providence): \$756,465
 - Fairfield Inn (South Kingstown): \$238,384



Residence Inn (Providence)

(1) These payments are made directly to an escrow account managed by the Commerce Corporation by the TIF recipients and thus are not reflected in state revenue estimates.

Tax Increment Finance Incentive Program (continued)

Standard TIF Projects

- Payments from these recipients are collected by the Division of Taxation and then subsequently disbursed to the recipient by the state and are **subject to annual appropriation**
- As a result, those amounts disbursed will represent an adjustment to collections

FY 2022

- **Disbursed 1 Standard TIF project totaling \$0.3 million**
 - Hammett's Wharf (Newport): \$302,709
- **Anticipating 1 more Standard TIF projects to be disbursed in FY2022**
 - Estimated total payments of \$0.3 million*
 - Hotel Beatrice (Providence): \$338,224

FY 2023

- **Expecting 3 Standard TIF projects to certify in FY2023**
- **Estimated total payments of \$1.5 million**
 - Hammett's Wharf (Newport): \$419,215
 - Hotel Beatrice (Providence): \$352,251
 - Aloft Hotel (Providence): \$742,581



Hotel Beatrice (Providence)

Qualified Jobs Incentive Tax Credit Program

As of July 1, 2020, Qualified Jobs Incentive Tax Credit rebates up to 75% (100% prior) of new personal state income tax withholdings up to a cap of \$7,500 per job for new full-time jobs that wouldn't be created but for this incentive. Of the 41 deals approved to date, 30 are subject to the up to 100% program, 8 are subject to the up to 75% program, and 1 has been terminated.

FY 2022

- 5 annual certifications completed fiscal year-to-date for a total gross value of \$1.2 million
 - Total of 10 annual certifications anticipated for the remaining FY2022 with an estimated gross value of \$2.2 million

FY 2023

- Anticipating 34 annual certifications with a total gross value of \$5.2 million



Flux Marine (East Greenwich)

**The anticipated total gross value is based upon original project underwriting on hiring estimates and salaries provided by the participant companies. The annual actual value of the tax credits will be based on the actual job data certified on an annual basis.*

Appendix

Rebuild Rhode Island Tax Credits & Sales Tax Rebates

[illegible]

Note:

1.) Award not anticipated based on updated project status.


Tax Increment Finance Program Incentive



Estimated Total TIF Revenue by Fiscal Year

#	Fiscal Year - Projected TIF Revenue	TIF Type	Tax/ PILOT Collections Begin (FY)	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	Total
1	Aloft Hotel	Funds collected by Division of Taxation	2023	-	-	-	-	742,581	809,602	849,405	872,788	897,130	919,345	942,062	965,294	989,053	1,013,352	1,038,206	1,063,628	1,089,633	1,116,234	1,143,446	1,171,286	1,199,768	1,228,909	-	-	-	-	18,051,723
2	Exchange Street	PILOT	2020	-	313,647	128,933	292,009	308,558	322,631	332,309	342,279	352,547	357,809	368,543	379,600	390,988	402,717	414,799	427,243	440,060	453,262	466,860	480,865	495,291	-	-	-	-	-	7,470,948
3	Hammett Wharf	Funds collected by Division of Taxation	2022	-	-	-	302,709	419,215	488,706	520,515	540,621	561,598	581,839	602,897	624,807	647,607	671,335	-	-	-	-	-	-	-	-	-	-	-	-	5,961,849
4	Hotel Beatrice	Funds collected by Division of Taxation with PILOT backstop	2022	-	-	-	338,224	352,251	362,819	373,703	384,914	396,462	408,355	420,606	433,224	446,221	459,608	473,396	487,598	502,226	517,293	532,811	548,796	565,260	582,217	599,684	-	-	-	9,185,667
5	Hotel Hive	Funds collected by Division of Taxation	2025	-	-	-	-	-	-	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	544,539	10,890,770
6	Residence Inn	PILOT	2021	-	-	250,724	308,097	756,465	801,310	824,246	847,843	872,119	897,095	922,790	949,226	976,423	1,004,404	1,033,192	1,062,810	1,093,283	1,124,634	1,156,889	1,190,075	1,224,219	-	-	-	-	-	17,295,845
7	Southern RI Hospitality	PILOT	2021	-	-	174,770	229,220	238,384	245,535	252,901	260,488	268,303	276,352	284,643	293,182	301,977	311,037	320,368	329,979	339,878	-	-	-	-	-	-	-	-	-	4,127,016
8	D'Ambra Warwick Hotel	PILOT	2019	150,925	234,111	73,558	221,920	299,083	307,652	316,479	325,570	334,935	344,580	354,514	364,747	375,286	386,142	397,323	408,840	420,703	-	-	-	-	-	-	-	-	-	5,316,368
Total from Revenue Collections				150,925	547,757	627,985	1,692,179	3,116,538	3,338,254	4,014,097	4,119,042	4,227,632	4,329,914	4,440,594	4,554,617	4,672,093	4,793,134	4,921,823	5,048,637	5,179,320	5,313,960	5,448,545	5,583,560	5,718,076	5,852,665	5,987,222	6,121,739	6,256,200	6,390,610	78,300,187
Total PILOT				150,925	547,757	627,985	1,051,246	1,602,490	1,677,128	1,725,936	1,776,180	1,827,904	1,875,835	1,930,490	1,986,754	2,044,674	2,104,300	2,165,682	2,228,872	2,293,923	1,577,895	1,623,749	1,670,940	1,719,510	0	0	0	0	0	34,210,177
Total funds collected by Division of Taxation				0	0	0	640,934	1,514,048	1,661,127	2,288,162	2,342,862	2,399,728	2,454,078	2,510,104	2,567,864	2,627,419	2,688,834	2,056,141	2,095,765	2,136,397	2,178,065	2,220,796	2,264,620	2,309,566	2,355,665	1,144,222	544,539	544,539	544,539	44,090,010

Qualified Jobs Incentive Tax Credit Program

															
Estimated Total Qualified Jobs Tax Credit Cash by Fiscal Year															
# Fiscal Year – Projected Tax Credit Certifications	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Total
1 Advertising Ventures	-	-	-	-	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	260,000
2 Agoda Travel Operations USA, Inc. ⁽²⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
3 Alliance Paper Company, Inc. ⁽¹⁾	-	-	-	-	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	296,790
4 Aretec	-	-	-	-	44,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	800,000
5 AT Cross Company ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
6 Boston Energy	-	-	-	-	39,000	77,250	93,750	93,750	93,750	93,750	93,750	93,750	93,750	93,750	866,250
7 Change Healthcare	-	-	-	-	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	480,000
8 Collette Travel Service, Inc.	-	-	-	-	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	1,300,000
9 Custom & Miller Box	-	-	-	-	31,000	53,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	612,000
10 eMoney Holdings, LLC	-	-	-	-	160,452	254,312	343,429	343,429	343,429	343,429	343,429	343,429	343,429	343,429	3,162,196
11 Epiq Systems, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
12 Finlay Extracts & Ingredients USA, Inc.	-	-	-	-	54,984	74,521	153,075	153,075	153,075	153,075	153,075	153,075	153,075	153,075	1,354,105
13 General Electric Company ⁽¹⁾	-	-	-	-	248,200	372,300	496,400	496,400	496,400	496,400	496,400	496,400	496,400	496,400	4,591,700
14 GEV	-	-	-	-	48,000	114,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	1,930,000
15 Gotham Greens Holdings, LLC	-	-	-	63,982	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	-	905,131
16 Granite Telecommunications, LLC	-	-	-	-	27,776	57,288	86,800	86,800	86,800	86,800	86,800	86,800	86,800	86,800	779,464
17 Greystone of Lincoln, Inc. ⁽¹⁾	-	-	-	-	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	460,000
18 Immunex RI Corporation	-	-	-	-	461,902	545,984	568,484	597,312	608,508	619,328	631,577	643,458	655,469	667,378	6,000,000
19 Infinity Meat Solutions, LLC.	-	-	-	481,000	753,000	941,000	965,000	993,000	1,018,000	1,040,000	1,069,000	1,099,000	1,125,000	-	9,484,000
20 Infosys Limited	-	-	-	-	263,350	527,250	790,500	1,054,500	1,317,750	1,581,750	1,843,500	1,843,500	1,843,500	1,843,500	12,909,100
21 Ivory Ella, LLC.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
22 iXblue Defense Systems, Inc.	-	-	-	-	78,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	1,032,000
23 Johnson & Johnson Services, Inc.	-	-	-	-	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	442,586	4,425,860
24 Lexington Lighting Group, LLC	40,187	45,171	42,230	30,637	47,109	-	-	-	-	-	-	-	-	-	205,333
25 Magellan HRSC, Inc.	-	-	-	-	61,889	128,491	243,535	243,535	243,535	243,535	243,535	243,535	243,535	243,535	2,138,660
26 Ocean State Jobbers, Inc.	-	-	170,762	445,484	324,663	330,164	335,725	341,457	347,247	353,154	359,152	365,128	-	-	3,372,936
27 RESH	-	-	-	-	66,750	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	735,000
28 Response Tech	-	-	-	-	33,750	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	675,000
29 Rubius Therapeutics, Inc.	-	-	-	242,000	378,000	380,000	382,000	384,000	386,000	388,000	390,000	391,000	394,000	-	3,715,000
30 SenTec	-	-	-	39,000	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	518,250
31 smartShift	-	-	-	-	60,000	103,500	191,250	191,250	191,250	191,250	191,250	191,250	191,250	191,250	1,693,500
32 Surplus Solutions, LLC	-	50,871	-	111,517	46,102	46,102	46,102	46,102	46,102	46,102	46,102	-	-	-	485,102
33 Trade Area Systems, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
34 United Natural Foods, Inc.	-	-	591,060	200,916	200,916	200,916	200,916	200,916	200,916	200,916	200,916	-	-	-	2,198,388
35 Virgin Pulse, Inc.	-	564,597	-	518,123	658,797	894,739	-	-	-	-	-	-	-	-	2,636,256
36 VistaPrint Corporate Solutions, Inc.	-	-	-	-	83,793	142,209	252,318	252,318	252,318	252,318	252,318	252,318	252,318	252,318	2,244,546
37 Whiting & Davis, LLC.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
38 Xeros, Inc. ⁽¹⁾	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0
39 Future Foam	-	-	-	30,000	34,500	38,250	38,250	38,250	38,250	38,250	38,250	38,250	38,250	-	370,500
40 MTX Group	-	-	-	-	88,500	88,500	350,250	350,250	438,000	438,000	438,000	438,000	438,000	438,000	3,505,500
41 Flux Marine	-	-	-	-	53,250	106,500	212,250	212,250	212,250	212,250	212,250	212,250	212,250	212,250	1,857,750
Qualified Jobs Incentive Tax Credits	\$40,187	\$660,638	\$804,051	\$2,162,659	\$5,216,659	\$6,680,752	\$7,241,510	\$7,570,070	\$7,965,056	\$8,270,383	\$8,580,780	\$8,382,619	\$8,058,502	\$6,366,450	\$78,000,316

Notes:


1.) Award not anticipated based on current project status.

2.) Incentive agreement with Agoda Travel Operations USA, Inc. terminated by mutual consent due to a change in corporate strategy resulting in corporate consolidation.

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