

Hilary Fagan

President, Rhode Island Commerce Corporation

Testimony to
Revenue Estimating Conference

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Rebuild Rhode Island Tax Credit Program

Approvals Since April Conference

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



Project	Rebuild Award	Est. Delivery
111 Westminster Superman Building	\$15,000,000	FY 2024



111 Westminster Superman Building

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 October 5, 2022, we have certified \$38.3m in Rebuild Tax credits and reimbursed \$9.3 million in sales and use tax for a total of \$47.6 million to the date for the life of the program.

FY 2023:

- Anticipating 36 Rebuild RI Tax Credit payments totaling \$19.3 million and 4 related Sales and Use Tax payments totaling \$10.8 million
- **Combined \$30.1 million total draw on Rebuild Fund**

FY 2024:

- Anticipating 43 Rebuild RI Tax Credit certifications totaling \$23 million
- Anticipating 3 related Sales and Use Tax certifications totaling \$8.2 million
- **Combined \$31.2 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.
- In FY 2022, RI Commerce Corporation paid out approximately \$1 million in PILOT TIF payments

FY 2023

- Disbursed \$0.3 million in TIF disbursements this Fiscal year already
- **4 PILOT projects⁽²⁾ expected to be disbursed in FY2023**
- **Total estimated payments of \$1.6 million**

FY 2024

- **4 PILOT projects expected to be disbursed in FY 2024**
- **Estimated total payments of \$1.7 million**



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.
(2) Hyatt Place, Homewood Suites, Residence Inn, Fairfield Inn

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 2023

- **Disbursed 1 Standard TIF project totaling \$0.6 million**
 - Hammett's Wharf (Newport): \$623,096
- **Anticipating 2 more Standard TIF projects to be disbursed in FY2023**
 - Estimated total payments of \$1.1 million*
 - Hotel Beatrice (Providence): \$352,251
 - Aloft Hotel (Providence): \$742,581

FY 2024

- **Expecting 3 Standard TIF projects to certify in FY2024**
- **Estimated total payments of \$1.7 million**
 - Hammett's Wharf (Newport): \$488,706
 - Hotel Beatrice (Providence): \$362,819
 - Aloft Hotel (Providence): \$809,602



Aloft Hotel (Providence)

Qualified Jobs Incentive Tax Credit Program

Approvals Since April Conference

2 Qualified Job projects has been approved by the Board since the April Conference



Project	Projected Qualified Jobs Award	Est. Delivery
Regent Craft	\$13,358,250	FY 2025
Breeze Airways	\$2,918,250	FY 2025



Breeze Airways, Warwick

Qualified Jobs Incentive Tax Credit Program

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 2023

- 2 projects received annual certifications completed fiscal year-to-date for a total gross value of \$1.6 million
 - Total of 12 annual certifications anticipated for the remaining FY2023 with an estimated gross value of \$3.5 million

FY 2024

- Anticipating 12 annual certifications with a total gross value of \$3.3 million



Regent Craft (Quonset Airport, RI)

**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



Estimated Total Rebuild Cash Flow by Fiscal Year

Anticipated # of Certified Projects		2	8	16	23	36	43	43	36	1	1	
Anticipated Tax Credit Awards		\$ 486,264	\$ 7,091,528	\$12,582,067	\$ 18,139,422	\$ 19,229,974	\$ 23,035,628	\$ 23,439,497	\$ 19,467,155	\$ 15,000	\$ 12,500	\$ 201,855,705
# Lookup ID		2019	2020	2021	2022	2023	2024	2025	2026	2030	2035	Total
1 Louttit Laundry	-	-	-	625,066	500,613	378,159	378,159	378,159	-	-	-	2,260,156
2 Providence Commons	-	-	1,945,500	784,875	784,875	784,875	784,875	-	-	-	-	5,085,000
3 Union Trust	-	-	-	373,391	179,400	179,399	179,399	179,399	-	-	-	1,091,587
4 78 Fountain Street	-	-	-	1,406,925	1,646,222	1,100,722	1,100,722	1,100,721	-	-	-	6,355,311
5 Prospect Heights	-	-	1,097,280	914,400	548,640	548,640	548,640	-	-	-	-	3,657,600
6 Pontiac Mills	-	-	725,281	1,137,724	725,281	725,281	725,281	-	-	-	-	4,038,846
7 Warwick Hyatt Hotel	744,000*	-	212,486	212,486	212,486	212,486	-	-	-	-	-	1,593,943
8 Ocean State Job Lot	-	-	2,472,060	-	1,240,000	620,000	-	-	-	-	-	4,332,060
9 Finlay	-	-	-	-	-	-	-	526,894	55,394	-	-	748,470
10 Hope Artiste	-	-	-	1,164,529	713,932	713,931	713,931	713,931	-	-	-	4,020,254
11 Virgin Pulse	316,506	-	-	897,352	637,875	486,090	486,090	333,991	-	-	-	3,157,903
12 Wexford Innovation Center	-	-	-	3,576,956	2,842,767	2,842,767	2,842,767	2,842,767	-	-	-	14,948,025
13 River House	-	-	1,670,982	2,370,982	1,670,982	1,670,982	1,670,982	-	-	-	-	9,054,910
14 Residence Inn	-	-	-	132,416	100	100	100	100	-	-	-	132,816
15 The Edge	-	-	1,137,176	600,000	600,000	600,000	600,000	-	-	-	-	3,537,176
16 Chestnut Commons	-	-	-	-	1,070,734	618,683	618,683	618,683	618,683	-	-	3,545,464
17 Gotham Greens	-	-	-	643,500	175,500	195,000	195,000	-	-	-	-	1,209,000
18 Downcity II	-	-	-	-	3,171,413	2,979,201	1,585,707	1,585,707	1,785,433	-	-	11,107,461
19 Infosys	-	-	-	-	-	-	-	325,000	187,500	-	-	850,000
20 R&W Phase II	-	-	200,000	296,656	200,000	200,000	200,000	-	-	-	-	1,096,656
21 Immunex RI Corporation	-	-	-	-	-	3,945,000	690,000	690,000	690,000	-	-	6,705,000
22 Electric Boat	-	-	-	-	-	6,255,000	4,362,500	292,500	290,000	15,000	12,500	20,000,000
23 Infinity Meat Solutions	-	-	-	-	2,077,572	383,000	383,000	383,000	-	-	-	3,226,572
24 Rubius Therapeutics	-	-	-	-	-	-	-	3,250,000	550,000	-	-	5,450,000
25 Edge II	-	-	-	-	-	-	-	-	3,095,000	-	-	7,295,000
26 Innovate Newport	-	-	-	-	642,086	428,058	428,058	321,043	321,043	-	-	2,140,288
27 Aloft Hotel	-	-	-	-	-	1,520,000	20,000	20,000	20,000	-	-	1,600,000
28 Farm Fresh	-	-	-	666,667	666,667	555,555	333,333	-	-	-	-	2,222,222
29 Lippitt Mill	-	-	-	-	-	-	-	741,391	510,700	-	-	2,784,191
30 Mearthane Products	-	-	-	-	-	163,000	163,000	163,000	815,000	-	-	815,000
31 Blount Fine Foods	-	-	-	-	200,000	200,000	200,000	200,000	200,000	-	-	1,000,000
32 Parade Street	-	-	-	-	-	200,000	200,000	200,000	200,000	-	-	1,000,000
33 Strive Lofts	-	-	-	-	-	150,000	150,000	150,000	150,000	-	-	750,000
34 Dexter Street	-	-	-	-	-	-	-	1,600,000	600,000	-	-	3,000,000
35 Millrace District I (ARTech)	-	-	-	-	-	-	200,000	200,000	200,000	-	-	1,000,000
36 Fuller Mill	-	-	-	-	-	-	90,000	90,000	90,000	-	-	450,000
37 Nexus Lofts	-	-	-	-	-	-	100,000	100,000	100,000	-	-	500,000
38 Merchant Oversees	-	-	-	-	-	-	-	200,000	200,000	-	-	1,000,000
39 Millrace District II (Island Place)	-	-	-	-	-	-	200,000	200,000	200,000	-	-	1,000,000
40 404 Broad Street	-	-	-	-	-	122,000	122,000	122,000	122,000	-	-	610,000
41 Hotel Beatrice	-	-	-	-	768,000	18,000	18,000	18,000	18,000	-	-	840,000
42 Parcel 6	-	-	-	-	-	650,000	650,000	650,000	650,000	-	-	3,250,000
43 South Quay Marine Terminal	-	-	-	-	-	-	-	3,000,000	3,000,000	-	-	15,000,000
44 401 TechBridge	-	-	-	-	-	-	200,000	200,000	200,000	-	-	1,000,000
45 Jk Equities Moshassuck	-	-	-	-	-	-	-	940,000	750,000	-	-	3,940,000
46 16 Broad St	-	-	-	-	-	28,460	28,460	28,460	28,460	-	-	142,300
47 Tidewater Landing - Phase I	-	-	-	-	-	-	6,000,000	2,000,000	2,000,000	-	-	14,000,000
48 Arctic Mill	-	-	-	-	-	-	200,000	200,000	200,000	-	-	1,000,000
49 461 Main Street	-	-	-	-	-	144,943	144,943	144,943	144,943	-	-	724,714
50 Wanskuck Mill	-	-	-	-	-	200,000	200,000	200,000	200,000	-	-	1,000,000
51 390 Pine St, LLC	-	-	-	-	-	155,556	155,556	155,556	155,556	-	-	777,778
52 Miniature Casting	-	-	-	-	-	82,000	82,000	82,000	82,000	-	-	410,000
53 The Studley Building	-	-	-	-	-	-	320,000	20,000	20,000	-	-	400,000
54 111 Westminster (Superman)	-	-	-	-	-	-	3,000,000	3,000,000	3,000,000	-	-	15,000,000

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	2040	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	1,228,909	18,051,723
2	Exchange Street	PILOT	2020	-	313,647	128,933	292,009	88,694	322,631	332,309	342,279	352,547	357,809	368,543	379,600	-	7,251,084
3	Hammett Wharf	Funds collected by Division of Taxation	2022	-	-	-	302,709	623,096	488,706	520,515	540,621	561,598	581,839	602,897	624,807	-	6,165,730
4	Hotel Beatrice	Funds collected by Division of Taxation with PILOT backstop	2022	-	-	-	143,506	352,251	362,819	373,703	384,914	396,462	408,355	420,606	433,224	582,217	8,990,949
5	Hotel Hive	Funds collected by Division of Taxation	2025	-	-	-	-	-	-	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	106,506	801,310	824,246	847,843	872,119	897,095	922,790	949,226	-	16,645,885
7	Southern RI Hospitality	PILOT	2021	-	-	174,770	229,220	54,729	245,535	252,901	260,488	268,303	276,352	284,643	293,182	-	3,943,362
8	D'Ambra Warwick Hotel	PILOT	2019	150,925	234,111	73,558	221,920	65,980	307,652	316,479	325,570	334,935	344,580	354,514	364,747	-	5,083,266
Total from Revenue Collections				\$150,925	\$547,757	\$627,985	\$1,497,462	\$2,033,838	\$3,338,254	\$4,014,097	\$4,119,042	\$4,227,632	\$4,329,914	\$4,440,594	\$4,554,617	\$2,355,665	77,022,769
Total PILOT				150,925	547,757	627,985	1,051,246	315,909	1,677,128	1,725,936	1,776,180	1,827,904	1,875,835	1,930,490	1,986,754	0	32,923,596
Total funds collected by Division of Taxation				0	0	0	446,216	1,717,929	1,661,127	2,288,162	2,342,862	2,399,728	2,454,078	2,510,104	2,567,864	2,355,665	44,099,173

Qualified Jobs Incentive Tax Credit Program

Estimated Total Qualified Jobs Tax Credit Cash Flow by Fiscal Year


Total Projects	1	3	3	6	12	12	33	33	33	33	33	31	30	28	23	22	
Qualified Jobs Incentive Tax Credits Certified	\$40,187	\$660,638	\$804,051	\$1,683,974	\$3,470,530	\$3,338,616	\$5,423,008	\$7,076,143	\$8,863,771	\$9,215,598	\$9,615,245	\$9,682,084	\$9,618,717	\$8,414,165	\$7,498,037	\$7,288,787	\$92,693,551
# Fiscal Year – Projected Tax Credit Certificatio	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	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 Alliance Paper Company, Inc.	-	-	-	-	-	-	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	29,679	296,790
3 Aretec	-	-	-	-	-	-	44,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	800,000
4 Boston Energy	-	-	-	-	-	-	39,000	77,250	93,750	93,750	93,750	93,750	93,750	93,750	93,750	93,750	866,250
5 Change Healthcare	-	-	-	-	-	-	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	480,000
6 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
7 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
8 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
9 Epiq Systems, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10 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
11 General Electric Company	-	-	-	-	-	-	248,200	372,300	496,400	496,400	496,400	496,400	496,400	496,400	496,400	496,400	4,591,700
12 GEV	-	-	-	-	-	-	48,000	114,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	221,000	1,930,000
13 Gotham Greens Holdings, LLC	-	-	-	132,846	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	93,461	-	-	-	973,995
14 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
15 Greystone of Lincoln, Inc.	-	-	-	-	-	-	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	46,000	460,000
16 Immunex RI Corporation	-	-	-	-	461,902	545,984	568,484	597,312	608,508	619,928	631,577	643,458	655,469	667,378	-	-	6,000,000
17 Infinity Meat Solutions, LLC.	-	-	-	387,749	753,000	941,000	965,000	993,000	1,018,000	1,040,000	1,069,000	1,099,000	1,125,000	-	-	-	9,390,749
18 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
19 Ivory Ella, LLC.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20 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
21 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
22 Lexington Lighting Group, LLC	40,187	45,171	42,230	30,637	47,109	-	-	-	-	-	-	-	-	-	-	-	205,333
23 Magellan HRSC, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24 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
25 RESH	-	-	-	-	66,750	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	74,250	-	-	735,000
26 Response Tech	-	-	-	-	33,750	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	71,250	-	-	675,000
27 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
28 SenTec	-	-	-	-	-	-	39,000	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	53,250	518,250
29 smartShift	-	-	-	-	-	-	60,000	103,500	191,250	191,250	191,250	191,250	191,250	191,250	191,250	191,250	1,693,500
30 Surplus Solutions, LLC	-	50,871	-	169,135	46,102	46,102	46,102	46,102	46,102	46,102	46,102	-	-	-	-	-	542,720
31 Trade Area Systems, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32 United Natural Foods, Inc.	-	-	591,060	-	1,115,947	200,916	200,916	200,916	200,916	200,916	200,916	-	-	-	-	-	2,912,503
33 Virgin Pulse, Inc.	-	564,597	-	518,123	466,846	894,739	-	-	-	-	-	-	-	-	-	-	2,444,304
34 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
35 Whiting & Davis, LLC.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
36 Xeros, Inc.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
37 Future Foam	-	-	-	-	30,000	34,500	38,250	38,250	38,250	38,250	38,250	38,250	38,250	38,250	-	-	370,500
38 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
39 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
40 Regent	-	-	-	-	-	-	495,000	989,250	1,484,250	1,484,250	1,484,250	1,484,250	1,484,250	1,484,250	1,484,250	1,484,250	13,358,250
41 Breeze Airways	-	-	-	-	-	-	162,750	198,000	279,000	325,500	325,500	325,500	325,500	325,500	325,500	325,500	2,918,250

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.

RHODE ISLAND

C O M M E R C E

 +1.401.278.9100

 Info@commerceri.com

 315 Iron Horse Way, Suite 101
Providence, RI 02908 U.S.A.

 commerceRI.com