I-195 Redevelopment District

Regulatory Analysis for *Rules and Regulations for the I-195 Redevelopment Project Fund*

865-RICR-10-00-1

October 20, 2026

Introduction

The I-195 Redevelopment District (District) and its governing Commission were created in late 2011 to oversee the redevelopment of land made available in downtown Providence as a result of the relocation of Interstate 195. The relocation freed up 26 acres of land for redevelopment; seven acres were designated as open space, and the remaining 19 acres were slated for private development. The District's mission is to create a thriving innovation district and neighborhood that attracts investment and fosters economic growth and opportunity.

The I-195 Redevelopment Project Fund Act (R.I.G.L. 42-64.24) of 2015 created the I-195 Redevelopment Project Fund (Project Fund) to promote the development and attraction of advanced industries and innovation on and near the I-195 land in order to enhance Rhode Island's economic vitality. The enabling legislation lists its uses as, but not limited to, "(1) contributing to capital requirements for anchor institutions or other catalytic project components in accordance with a vision developed by the Commission for location on the I-195 land, adjacent and proximate parcels; (2) filling project financing gaps for real estate projects on the I-195 land, adjacent and proximate parcels; (3) financing land acquisition in areas adjacent to and proximate to the I-195 land including street rights of way and abandonment costs; and (4) financing public infrastructure and public facilities to support or enhance development including, but not limited to, transportation, parks, greenways, performance venues, meeting facilities, meeting facilities, and public safety precincts."

Proposed Amendments

The Project Fund Rules and Regulations (Rules and Regulations) were initially adopted in 2016. The proposed policy changes are mainly updates following the adoption of the District Development Plan as a result of the passage of the Rhode Island Special Economic Development District Enabling Act (R.I.G.L. 45-24.6-1) as well as minor administrative changes that are reflective of a decade of administering the fund under the current Rules and Regulations from 2016. This regulatory analysis has been prepared to estimate the impact of the proposed regulatory changes pursuant to the Administrative Procedures Act (APA), (R.I.G.L. 42-35-2.9).

There are two proposed changes highlighted in this analysis. The proposed updates to the Rules and Regulations remove the obligation of an Applicant to submit an additional application to the Executive Office of Commerce. The second change is to codify the

exemption of any application fees for applications submitted by District for an allocation from the Project Fund.

Analysis

1. Proposed Update to Section 1.7 Application A.

Current language: *"An Applicant seeking funding from the 1-195 Fund Financing for a Project must submit to the Commission and to the Executive Office of Commerce an application as described in the Developer's Toolkit."*

Updated language: *"An Applicant seeking funding from the 195 Fund must submit to the Commission an Application for Funding in a form prescribed by the Commission."*

This change in language reduces the burden on the Applicant to submit an Application to two entities and it also goes beyond what is mandated by the Project Fund Act. The statute only requires that the Application be submitted to the Commission. This revision reflects the current practice and is consistent with the statute. The Secretary of Commerce only needs to concur.

The only alternative would be to maintain the process as it is currently written and therefore remain a burden to the Applicant to submit two Applications to two entities within state government.

Determination:

While the costs associated with sending applications to two state entities that work closely together may be minimal, the additional burden of sending them justifies this change in the Rules and Regulations. Additionally, it codifies the current practices and remains consistent with the statute.

2. Proposed Update to Section 1.8 Fees A.

Current language: *"An Applicant shall be charged a one-time, non-refundable application fee by the Commission. The Commission shall annually publish a fee schedule on its website."*

Updated language: *"An Applicant shall be charged a one-time, non-refundable application fee by the Commission. No fee will be charged if the Commission is the Applicant."*

The second proposed change exempts the District from the application fee when it is the Applicant. The application fee for the Project Fund has been and will continue to be $1,000 since 2016 under this amendment. Historically, the District has submitted approximately twelve applications for funds from the Project Fund, which totals to $12,000 over ten years where the District would have been required to transfer funds from the District's general operations fund to the Project Fund.

The only alternative to not continuing the practice of exempting the fee for the District would be to transfer the funds from one account to the other where the District would pay an application fee to itself.

Determination

The financial impacts on the Project Fund through waiving the fee to the District are minimal and will continue to be insignificant. The total amount of waived fees to date is $12,000 which represents approximately 0.04% of the more than $30 million that has been deposited into the Project Fund since its inception. By not paying itself, the District has not faced any hardship in administering the fund as its administration is included in existing positions.