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TITLE 880 – QUONSET DEVELOPMENT CORPORATION

CHAPTER 00 – N/A

SUBCHAPTER 00 – N/A

PART 5 – Rhode Island Ready Program

5.1 Purpose

- A. These Rules and Regulations (the “Rules”) are promulgated to set forth the principles, policies and practices of the The Quonset Development Corporation (“The Corporation”) in implementing and administering R.I. Pub. Law Ch. 80, 2020 R.I. HB 7171 (the “Enactment”).
- B. The Enactment shall be implemented by the Corporation through a program known as Rhode Island Ready (the "Program"). The Program will provide technical assistance and funding to activate industrial sites throughout the State of Rhode Island for manufacturing, assembly, distribution and other job-producing commercial activities (which is not intended to include projects that are primarily retail and/or office uses) with the purpose of creating employment opportunities, generating tax revenue, and stimulating private investment. It is the intent of the Program to provide such assistance with the ongoing support of the local governing body (as defined in R.I. Gen. Law § 42-64.3-11) in which the Site is located.

5.2 Authority

These Rules are promulgated pursuant to R.I. Gen. Laws Chapter 42-64.10 (the “Act”). These Rules have been prepared in accordance with the requirements of the Rhode Island Administrative Procedures Act, R.I. Gen. Law Chapter 42-35.

5.3 Scope

These Rules shall apply to the Program. Notwithstanding anything contained in these Rules to the contrary, the Corporation has and may exercise all general powers set forth in the Act and the Enactment that are necessary or convenient to affect its purposes and these Rules shall be liberally construed so as to permit the Corporation to effectuate the purposes of the Act, the Enactment, the public interest, and other applicable state laws and Regulations.

5.4 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.

5.5 Definitions

A. The following words and terms, when used in these Rules, shall have the following meanings:

1. "Act" means R.I. Gen. Laws Chapter 42-64.10.
2. "Applicant" means any person or entity that submits an Enrollment Application or Capital Investment Application to the Corporation for consideration as part of the Program.
3. "Board" means the Board of Directors as defined in R.I. Gen. Law § 42-64.10-7.
4. "Capital investment application" means the materials required to be submitted for an Enrolled Site to be considered for capital investment from the Program, as set forth in the Program Guidance.
5. "Capital investment criteria" means the criteria used by the Corporation to evaluate Enrolled Sites that have submitted a Capital Investment Application for potential capital investment from the Program, as described herein and further outlined in the Program Guidance.
6. "Corporation" means the Quonset Development Corporation.
7. "Development feasibility assessment" has the meaning set forth in § 5.6.4(C) of this Part.
8. "Enactment" has the meaning set forth in § 5.1(A) of this Part.
9. "Enrolled site" means a Site that receives an affirmative vote of the Board for enrollment into the Program.
10. "Enrollment application" means the materials required to be submitted for a Site to be considered for enrollment into the Program, as included in the Program Guidance.
11. "Enrollment findings" means the statements of consistency with the purposes of the Program that will be utilized by the Board to determine

whether a Site should be enrolled in the Program, as described herein and further set forth in the Program Guidance.

12. “Enrollment requirements” means the minimum standards required to be met for a Site to be eligible for enrollment into the Program, as described herein and further set forth in the Program Guidance.
13. “Managing director” means the Managing Director as defined in R.I. Gen. Law § 42-64.10-7 or his or her designee from time to time.
14. “Pre-permitted certificate” means the certification provided by the Managing Director that a Site has received all of the necessary engineering, permitting and other pre-development approvals and activities and that such Site is readied for development activity, as described in the Program Guidance.
15. “Program” means the Rhode Island Ready program, as outlined by this Part and the Program Guidance.
16. “Program guidance” means the guidance prepared and amended from time to time by the Managing Director that describes the Program and the various Program components, including but not limited to the items required herein, which shall be published and maintained in the Corporation’s website.
17. “Program staff” means any employees of the Corporation, at least one (1) representative of the Rhode Island Commerce Corporation designated by the Chief Executive Officer thereof, or any other State agency who are involved in implementing the Program, as determined by the Managing Director, from time to time, as well as any consultants and contractors of the Corporation engaged to assist with the Program.
18. “Rhode Island benefits agreement” means an agreement entered into between an Applicant and the Corporation that, at minimum, describes the capital from the Program that will be invested in a specific Site, the benefits to Rhode Island that will accrue as a result of the capital investment, and the financial and other terms of the capital investment as determined by vote of the Board.
19. “Site” means any property, parcel or area proposed

 - a. To be utilized for the uses listed in the Enactment; and/or
 - b. To accommodate upgraded, enhanced or otherwise improved infrastructure in support of such uses.

20. "State highways" shall have the meaning set forth in § 5.6.2(C) of this Part.

5.6 Program Enrollment

5.6.1 Enrollment Overview

The activation of Sites for uses consistent with the Enactment, the Program and these Rules requires that such sites receive all of the engineering, permitting and other pre-development approvals and activities that are necessary to prepare the site for development activity in accordance with the Enactment, the Program and these Rules. Activated sites also need to have the utility, transportation, and other infrastructure necessary to support the proposed use. The Program is intended to provide technical and/or financial assistance to aid in preparing Enrolled Sites for development activity, as described in the Program Guidance.

5.6.2 Eligibility for Enrollment

- A. For a Site to be eligible for enrollment in the Program, an Enrollment Application for the Site must be submitted to the Corporation and the Site must meet the Enrollment Requirements outlined herein and further described in the Program Guidance. The Program Guidance shall contain the required forms and/or template for the Enrollment Application.
- B. The Managing Director shall announce via the Corporation's website or other publicly available means the availability of the Enrollment Application and the time periods for receipt of Enrollment Applications, which may include one (1) or more deadlines. Such announcement will include the method via which Enrollment Applications shall be delivered to the Corporation, along with any relevant Enrollment Application deadlines.
- C. Two (2) types of Sites shall be eligible for enrollment. For both types of Sites, the municipality in which the Site is located must support the Enrollment Application, as evidenced by a Letter of Support from the Chief Executive of the municipality, meaning the City Mayor, Town Manager or equivalent. To apply for enrollment in the Program a Site must either:
 - 1. Accommodate upgraded, enhanced or otherwise improved infrastructure within an area of a community in support of the uses outlined in the Enactment; or
 - 2. At a minimum, meet the following requirements, as may be further detailed in the Program Guidance:

- a. The zoning district in which the Site is located allows one (1) or more of the uses described in the Enactment as by-right permitted uses, as evidenced by a statement from the municipal Zoning Enforcement Officer, as designated in accordance with R.I. Gen. Law § 45-24-54.
- b. The Site is a minimum of approximately ten (10) acres in size and/or is anticipated to yield a building of approximately one hundred thousand (100,000) square feet. Alternatively, the Site accommodates expansion of an existing industrial use or facility.
- c. The Site is within one (1) mile of a designated Arterial roadway, Highway, Freeway, or Expressway as depicted on the "Existing Highway Functional Classification" map, prepared by the R.I. Division of Planning and dated March 11, 2019, as may be updated by the R.I. Division of Planning from time to time (collectively, the "State Highways").

D. Each Enrollment Application will be reviewed by the Corporation as described in § 5.6.4 of this Part. For sites to be enrolled in the Program, development of the Site for one (1) or more of the uses described in the Enactment must be reasonably feasible, as determined by the Board as outlined herein and outlined in the Program Guidance.

5.6.3 Enrollment Application Fees

An Applicant may be charged a one (1) time, non-refundable application fee by the Corporation and may be charged fees for ongoing administration in relation to the Site, up to a total amount of five thousand dollars (\$5,000.00). A fee schedule, as such may be necessary, shall be published within the Program Guidance, as the same may be amended from time to time.

5.6.4 Review of Enrollment Applications

- A. Each Enrollment Application shall be reviewed by the Program Staff to confirm compliance with the Act, the Enactment, these Rules, and the Program Guidance. The Managing Director may reject any incomplete or deficient Enrollment Application.
- B. The Managing Director may require the submission of additional information in connection with any Enrollment Application or the revision of an Enrollment Application, and may, in such Managing Director's sole discretion, permit the resubmission of an Enrollment Application that was rejected for being incomplete or deficient.

C. Each Site for which an Enrollment Application has been submitted and that meets the eligibility requirements outlined in § 5.6.2(C) of this Part will be assessed by the Program Staff for development feasibility (the "Development Feasibility Assessment"). The extent of the Development Feasibility Assessment shall be described in the Program Guidance and shall, at minimum, include assessment of the Site's:

1. Zoning compliance;
2. Size and/or potential building yield;
3. Vehicular access;
4. Environmental conditions;
5. Utility service; and
6. Title and ownership status.

D. For Sites proposing only upgraded, enhanced or otherwise improved infrastructure in support of the uses outlined in the Enactment, the Development Feasibility Assessment may be applied to the entire district or area to be serviced by the infrastructure.

5.6.5 Enrollment of Sites into the Program

A. For Site's meeting the eligibility requirements outlined in § 5.6.2(C) of this Part., upon completion of a Site's Development Feasibility Assessment, the Managing Director shall present the Enrollment Application to the Board at a public meeting of the Board. The presentation to the Board shall include, without limitation, the results of the Development Feasibility Assessment and the Managing Director's recommendation of whether a Site qualifies for enrollment in the Program.

B. At a public meeting of the Board, the Board will determine whether to enroll a Site in the Program. For all Enrollment Applications, the Board shall conduct a vote regarding enrollment, and shall include specific findings relative to the Site's development feasibility (the "Enrollment Findings"), which shall be based on the Site's Development Feasibility Assessment. The Board may impose conditions on the enrollment of a Site in the Program as necessary to effectuate the purposes of the Program.

C. The Corporation shall not have any obligation to enroll any Site in the Program under the Act, the Enactment or these Rules.

D. A review of an Enrollment Application and the Board's decision to enroll or not enroll a Site into the Program shall not constitute a "contested case" under the Administrative Procedures Act, R.I. Gen. Law § 42-35-9, and no opportunity to object to an Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation, Board, Managing Director or Program Staff in connection with any Enrollment Application.

5.6.6 Assistance to Enrolled Sites

A. Enrolled Sites shall be provided technical assistance with engineering, permitting and other pre-development approvals and activities needed to prepare the Site for development activity in accordance with the Enactment, these Rules and the Program. The technical assistance provided to Enrolled Sites shall constitute the small grants for pre-development as set forth in the Enactment. The assistance provided to each Enrolled Site shall be determined on a case-by-case basis, as deemed necessary by the Managing Director based on review of the Enrollment Application, the results of the Development Feasibility Assessment, and the current status of the Site's engineering and permitting activities. It is intended that each Enrolled Site will be eligible to receive technical assistance in an amount up to two hundred thousand dollars (\$200,000.00). However, Enrolled Sites that present more complex development issues or that would enable greater development opportunities may receive additional technical assistance as recommended by the Managing Director and upon approval of the Board. Once the determined technical assistance has been provided to an Enrolled Site and such Enrolled Site is prepared for development activity in accordance with the Enactment, these Rules and the Program, the Corporation shall issue a Pre-Permitted Certificate to the Enrolled Site.

B. Some Enrolled Sites may not require technical assistance to be prepared for development activity. In such cases, Enrolled Sites may be issued a Pre-Permitted Certificate immediately subsequent to enrollment, and may submit a Capital Investment Application to the Corporation as outlined in § 5.7 of this Part.

C. The types of assistance that may be provided to Enrolled Sites shall be outlined in the Program Guidance. Without limiting the generality of the foregoing, the assistance provided may include any of the following activities:

1. Site survey;
2. Wetland flagging and mapping;
3. Soil bearing analysis;
4. Site and off-site engineering;

5. Application for required permits;
6. Preparation of environmental remediation plans;
7. Traffic analysis;
8. Community impact analysis;
9. Economic analysis; and
10. Any other activities necessary to obtain a Pre-Permitted Certificate.

5.7 Capital Investment in Enrolled Sites

5.7.1 Eligibility for Capital Investment

- A. For a Site to be eligible for capital investment, the authorized agents of the Site must submit a Capital Investment Application to the Corporation. If the Site is not already an Enrolled Site, the Site must submit the Capital Investment Application and Enrollment Application simultaneously. In such cases, the Site must become an Enrolled Site in accordance with these Rules prior to a vote of the Board on the Capital Investment Application.
- B. The required forms and/or template for the Capital Investment Application shall be provided within the Program Guidance. The Capital Investment Application shall contain, at a minimum, a description of the work to be supported by the requested investment and the amount of money requested. Capital Investment Applications may also require submittal of the following information:
 1. A business plan, market study and/or economic analysis for the Site;
 2. A permitting and/or construction schedule for the Site;
 3. A *pro forma* for the Site including a description of the financing for the Site, all sources and amounts of funding, projected internal rate of return, net margin, return on investment and cash on cash yield;
 4. A list and status of all required Federal, State and/or municipal approvals and/or permits required for the Site; and
 5. Such other information as the Corporation deems appropriate or necessary in connection with a particular Site.
- C. Each Capital Investment Application shall be reviewed by the Program Staff to confirm compliance with the Act, the Enactment, these Rules and the Program

Guidance, and the Managing Director may reject any incomplete or deficient Capital Investment Application.

D. The Managing Director may require the submission of additional information in connection with any Capital Investment Application or the revision of a Capital Investment Application, and may, in such Managing Director's sole discretion, permit the resubmission of a Capital Investment Application that was rejected for being incomplete or deficient.

E. Capital Investment from the Rhode Island Ready Program is intended to support activation of Sites for the uses outlined in the Enactment. Without limiting the generality of the foregoing, capital investment may be proposed for the following types of activities, among others:

1. On-site land improvements, including without limitation grading, excavation, soil supplementation, and environmental remediation;
2. On and off-site infrastructure improvements, including without limitation water, sewer, electric, natural gas, telecommunications, and transportation improvements;
3. Upgrades to community infrastructure;
4. Property acquisition; and
5. Facility development.

5.7.2 Review of Capital Investment Applications

A. Once an Enrolled Site has submitted a complete Capital Investment Application to the Corporation, the Managing Director and the Program Staff will review the Capital Investment Application and assign eligibility points to the Enrolled Site based on the Capital Investment Criteria. The Capital Investment Criteria shall be outlined and described in the Program Guidance, and shall at minimum, be based on the following Program goals:

1. Job creation;
2. Private investment; and
3. Tax revenue generation.

B. The Managing Director shall present all Capital Investment Applications to the Board at a public meeting of the Board, including, without limitation, the review of the Application against the Capital Investment Criteria and the Managing

Director's recommendation of whether Capital Investment should be provided to an Enrolled Site.

- C. At a public meeting of the Board, the Board will determine whether to provide capital investment to an Enrolled Site, how much capital investment to provide, and any conditions or terms that are to be placed on such investment. To determine whether to provide a capital investment to an Enrolled Site, the Board shall consider the overall purpose of the Program, the eligibility points awarded based on analysis of the Capital Investment Criteria, the findings specified in R.I. Gen. Law § 42-64-10(a)(1) and other factors as the Board may deem necessary to enhance the economy of the State of Rhode Island.
- D. If the Enrolled Site does not have a Pre-Permitted Certificate at the time the Board is considering the Enrolled Site's Capital Investment Application, the Board shall condition the grant of a capital investment and the subsequent disbursement of the capital investment funds upon the Enrolled Site's receipt of a Pre-Permitted Certificate.
- E. The Corporation shall not have any obligation to provide a capital investment to an Enrolled Site under the Act, the Enactment, or these Rules.
- F. A review of a Capital Investment Application and the Board's decision to provide capital investment or not provide capital investment shall not constitute a "contested case" under the Administrative Procedures Act, R.I. Gen. Law § 42-35-9, and no opportunity to object to a Capital Investment Application shall be afforded, nor shall judicial review be available from a decision rendered by the Corporation, Board, Managing Director or Program Staff in connection with any Capital Investment Application.

5.7.3 Rhode Island Benefits Agreement

- A. If the Board votes to provide a capital investment to an Enrolled Site, the Corporation and the Applicant will enter into a Rhode Island Benefits Agreement for the Enrolled Site prior to the issuance of any funding of such capital investment. At minimum, the Rhode Island Benefits Agreement shall describe the amount of capital from the Program that will be invested in relation to a specific Site, the benefits to Rhode Island that will accrue as a result of the capital investment, and the financial and other conditions or terms of the capital investment, including without limitation, events of default, remedies and reporting requirements.
- B. It is the intent of the Corporation to recover investments from successful projects, as appropriate, in order to continue making capital investments under the Act, the Enactment and these Rules. The conditions under which capital investments may

be recovered shall be set forth in the applicable Rhode Island Benefits Agreement. In some instances, the applicable Rhode Island Benefits Agreement may specify conditions under which, if a Project demonstrates performance as set forth in the applicable Rhode Island Benefits Agreement, recovery of investment may not be required.