Economic Development Corporation Rhode Island Enterprise Zone Program 315 Iron Horse Way, Suite 101 Providence, Rhode Island 02908 (401) 278-9100

Rules of Procedure of the Rhode Island Enterprise Zone Council*

Amended and Restated through August 28, 2009

*AUTHORITY:

Pursuant to Rhode Island General Laws 42-63-1 which establishes the Economic Development Corporation, 42-64-3-1, as amended, which establishes Enterprise Zones and 42-35 relating to the Administrative Procedures Act, the Rhode Island Enterprise Zone Council has promulgated the Rules of Procedure herein. This document incorporates all prior changes made to the rules of procedures and supercedes all prior drafts. Amendments were approved on August 28, 2009 by the R.I. Enterprise Zone Council for Public Hearing – Public Hearing held on August 28, 2009 – Approved on August 28, 2009 by Rhode Island Enterprise Zone Council.

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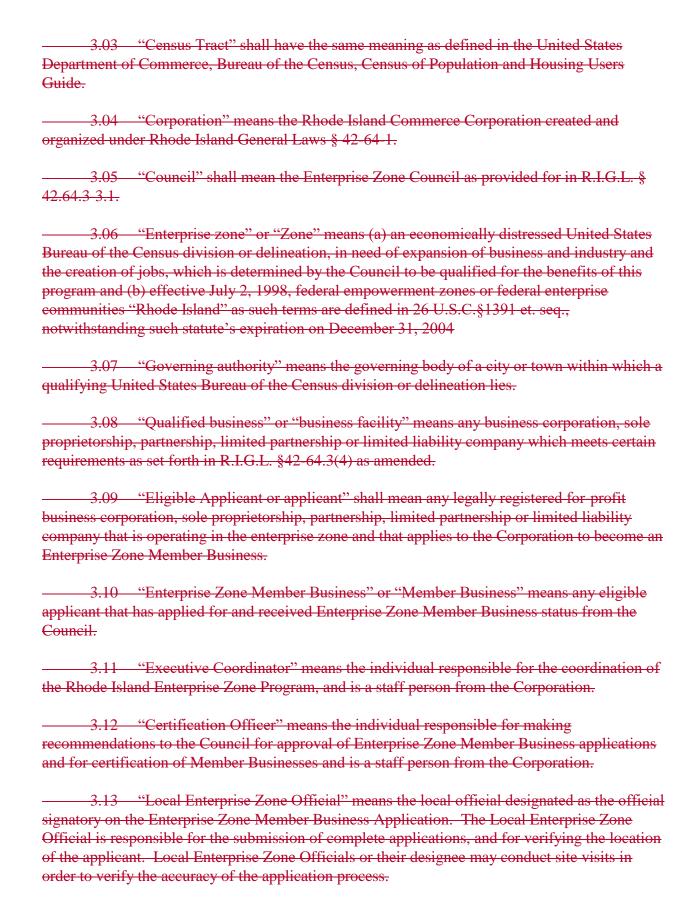
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RULEI

RULES OF PROCEDURE: ORGANIZATION AND OPERATION OF THE ENTERPRISE ZONE COUNCIL

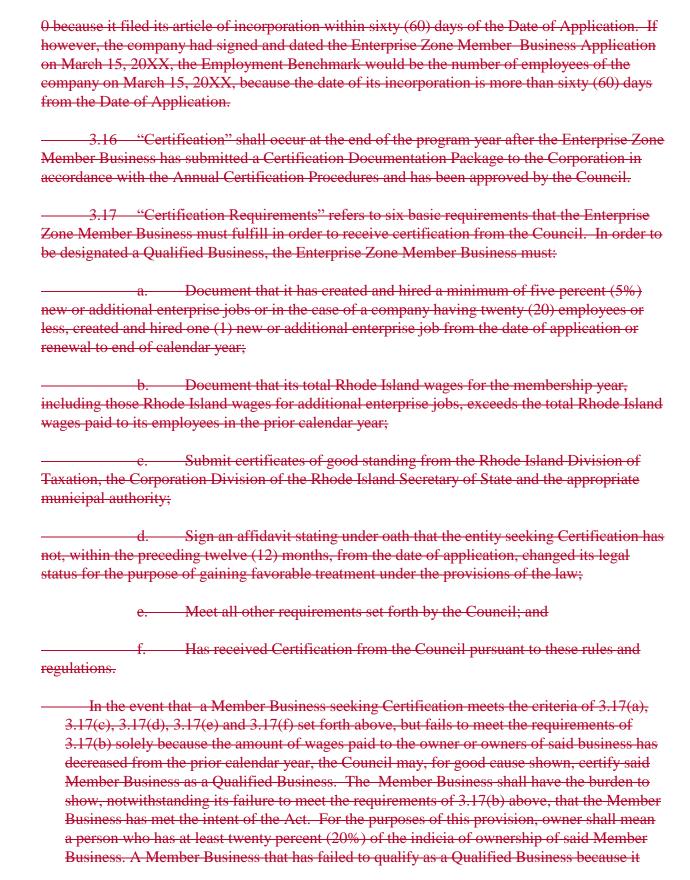
The following are the rules for organization and operation of the Enterprise Zone Council as required by R.I.G.L. § 42-64.3-3.1(d). Section 1: Name The name of this Council shall be the Enterprise Zone Council as established by R.I.G.L. § 42-64.3-3.1(a). **Section 2: Organization and Purpose** 2.01 Chapter 42-64.3 of the General Laws of 1956 entitled "Enterprise Zones" was amended by Chapter 340 of the Public Laws of 1991 to create an Enterprise Zone Council within the Rhode Island Commerce Corporation. The Council is responsible for promulgating rules and regulations for the Enterprise Zone Program, designating the Zones, and certifying Qualified Businesses. The Council is supported by staff from the Rhode Island Commerce Corporation, the Division of Planning and the Division of Taxation in the Department of Administration, and the Governor's Policy Office. 2.02 The objective of the Rhode Island Enterprise Zone Program is "to undertake an experimental program to stimulate economic revitalization, promote employment opportunities, and encourage business development and expansion in distressed areas" by providing or encouraging: Improved local revitalization efforts that emanate from private, non-profit and public commitment to the area through the coordinated targeting of available resources; Tax incentives at the state and local level: and c. Actions to reduce and/or streamline state and local regulatory processes. Section 3: Definitions 3.01 The following words and terms shall have the following meanings wherever used in these rules. 3.02 "Act" means the Rhode Island Enterprise Zone Act (Chapter 64.3 of Title 42 of the General Laws of Rhode Island, as amended).



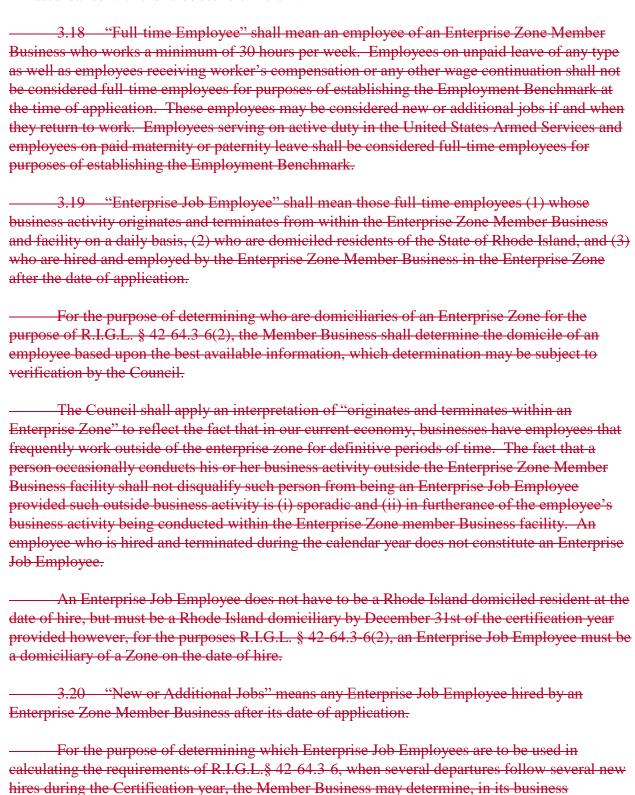
- 3.14 "Date of Application" shall refer to the actual date that the authorized company official signs the Enterprise Zone Member Business Application. The employment benchmark must be established by the applicant on the Date of Application, subject to Section 3.15 below. The application must also be properly notarized (in accordance with the Rhode Island General Laws relating to notarization) prior to its submission to the Local Enterprise Zone Official.
- 3.15 "Employment Benchmark" shall mean the total number of full time employees at the time the applicant submits its Enterprise Zone Member Business Application, provided however, with respect to a Member Business which commences its operation within the year of its application, the Employment Benchmark shall mean the total number of full-time employees on the earlier of either (i) the Date of Application or (ii) the date in which the Member Business files its articles of incorporation, organization or legal existence, as applicable, with the Rhode Island Secretary of State, provided such date is not more than sixty (60) days from the Date of Application. Employment Benchmark is the point from which the Council measures whether or not a business has satisfied the 5% new or additional jobs test by December 31 of the calendar year. To make a determination, the Corporation will compare the employment benchmark to the total year end full time employment count as of December 31. The total year end full time employment count submitted by the Enterprise Zone Member Business shall be the new Employment Benchmark for the next program year. Businesses will not be allowed to change the employment benchmark once it has been submitted. In the event that a qualified business changes its operating structure from one form of entity to another (i.e. corporation to limited liability company) but continues to operate substantially in the same manner, the Employment Benchmark of the new entity shall be the Employment Benchmark of the former entity.

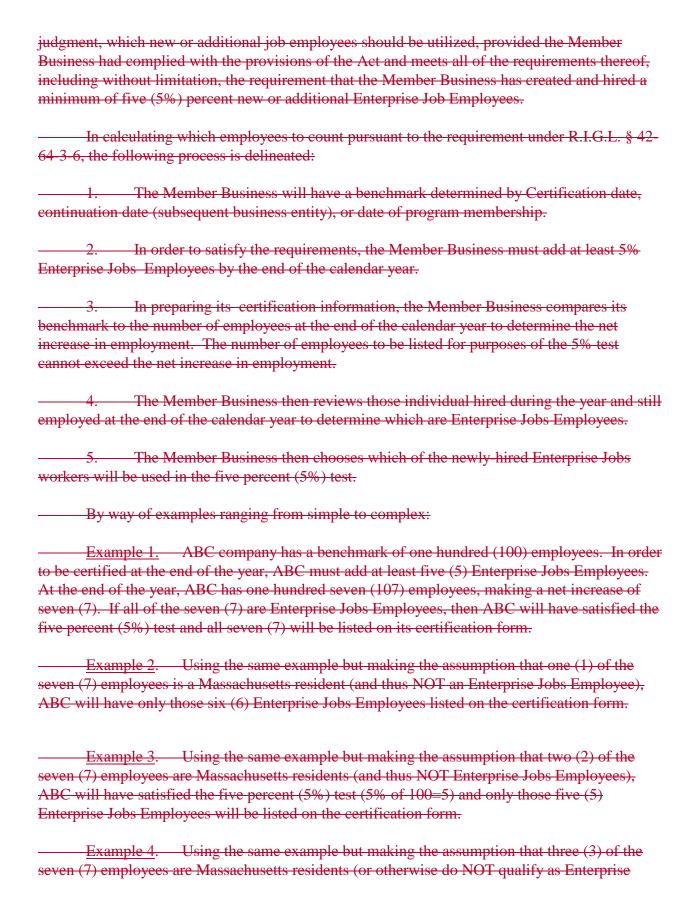
Eligible applications should note the following examples:

- <u>Example 1</u>. A company located in a specific Zone with several facilities in that Zone and which uses the same FEIN for those facilities must combine the employees from each facility to establish the Employment Benchmark on the membership application.
- <u>Example 2</u> A company with locations in more than one Zone but which uses the same FEIN for those locations must submit an individual application and individual year-end benchmarks for each location.
- Example 3. A group of companies whose component entities use different FEIN's must treat each company/entity separately according to its FEIN and submit applications and year end benchmarks in accordance with 1 and 2 above. Applications and year end benchmarks cannot be submitted for more than one legal entity or FEIN.
- Example 4. A company files articles of incorporation with the Secretary of State on January 2, 20XX. It has no employees when it files with the Secretary of State. On January 15, 20XX, the company hires five (5) employees. On January 20, 20XX, the company signs and files an Enterprise Zone Member Business Application. Because the company is commencing operation in the year of its application, the Employment Benchmark for this start-up company is



has failed to meet the wage test set forth in 3.17(b), but has otherwise met the Council's requirements may either request a declaratory ruling from the Council or appeal its denial in accordance with the rules set forth herein.

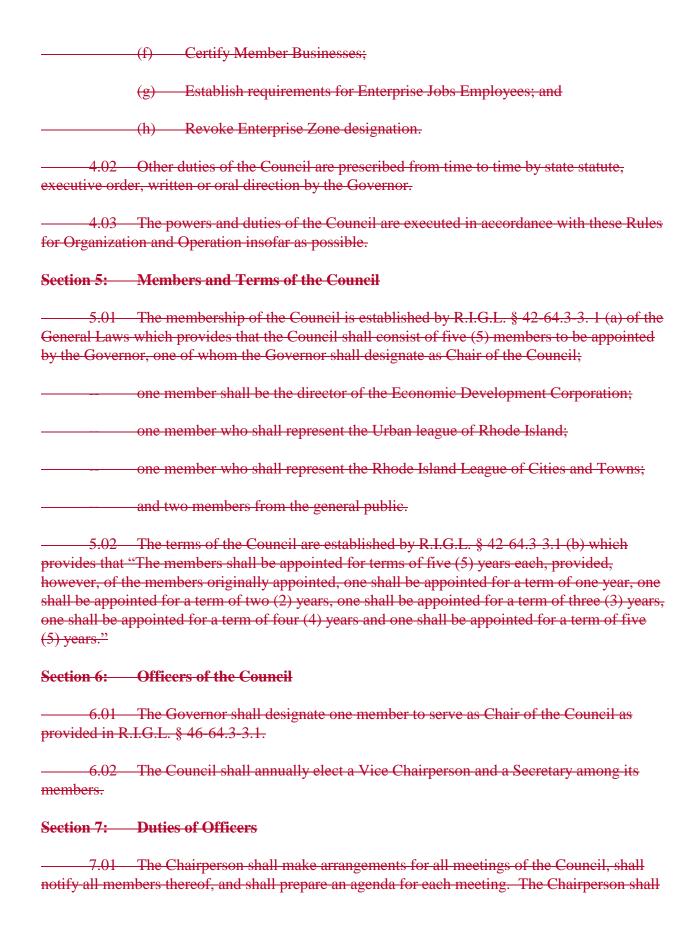




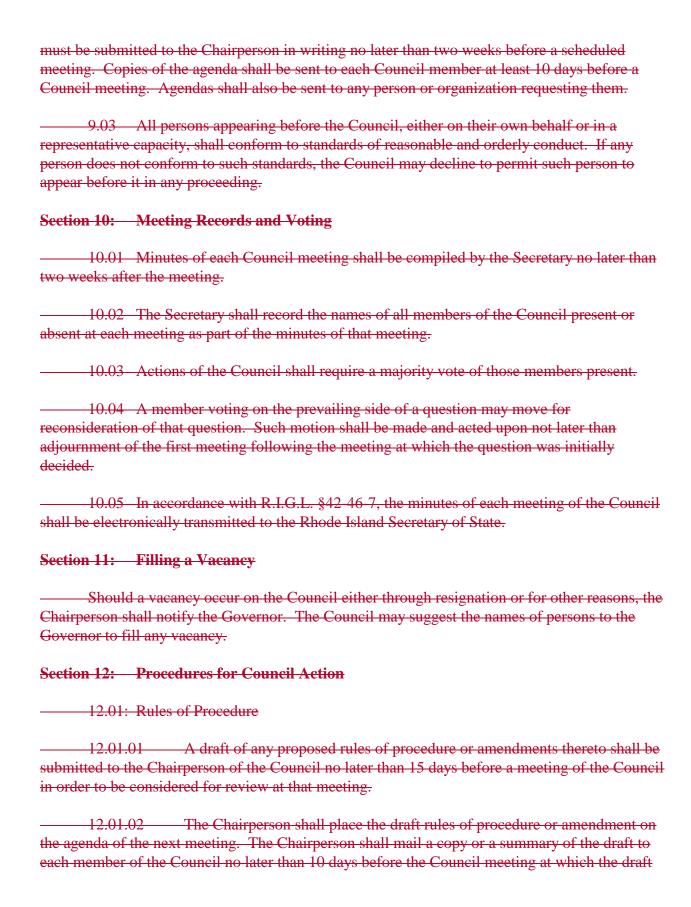
ABC will NOT be certified for that year. Example 5. The following example uses the same assumption of a benchmark of one hundred (100) and one hundred seven (107) at the end of the year for a net increase of seven (7) employees. During the year four (4) of ABC's original one hundred (100) employees left and were replaced with Enterprise Jobs Employees. Additionally, seven (7) more employees who were Enterprise Jobs Employees were hired. All eleven (11) new hires are still employed by ABC at December 31st. ABC needs at least five (5) Enterprise Jobs Employees to satisfy the test (5% of 100 = 5). ABC may choose from any of the eleven (11) newly-hired Enterprise Jobs Employees to satisfy the five percent (5%) test but cannot claim more than the net increase in employment of seven (7). <u>Example 6.</u> Using the above situation, if some of the eleven (11) new employees were NOT Enterprise Jobs Employees, ABC may still choose any employees from the remaining number who WERE Enterprise Jobs Employees to determine if it satisfied the five percent (5%) test and cannot claim more that the net increase in the employment of seven (7). The Enterprise Zone Member Business must create and hire a minimum of five percent (5%) new or additional jobs in the respective Enterprise Zone. In the case of an Enterprise Zone Member Business with other Enterprise Zone locations but utilizing the same FEIN, the new or additional jobs requirement must be met at each location in order for the Member Business to qualify for Enterprise Zone Certification, except that a Member Business which has separate manufacturing facilities in two (2) separate Enterprise Zones may use the net addition of new employees at both sites combined to satisfy the additional job requirement. Employees transferred from an in state location to an Enterprise Zone location will not be counted as a new or additional job for the purpose of this program. Employees transferred from a business facility outside the State of Rhode Island may be considered as a new or additional jobs in the Enterprise Zone facility. An employee who is officially on lay off status at the time the business submits its Enterprise Zone Member Business Application cannot be included in the employment benchmark. Such employee may be considered a new or additional job upon re employment with the Enterprise Zone Member Business. A part-time employee who is upgraded to a full-time employee after the date of application is considered a full time employee for the period of time after the actual upgrade. 3.21 "Certificate of Good Standing" shall be the name of the document which the Enterprise Zone Member Business must obtain from the Rhode Island Division of Taxation, the Corporations Division of the Rhode Island Secretary of State and the appropriate municipal authority as a requirement of certification. Certificates of Good Standing from the municipal authority shall mean a form designated by the municipality which provides evidence that the applicant has satisfied its obligations to the city or town where it conducts business.

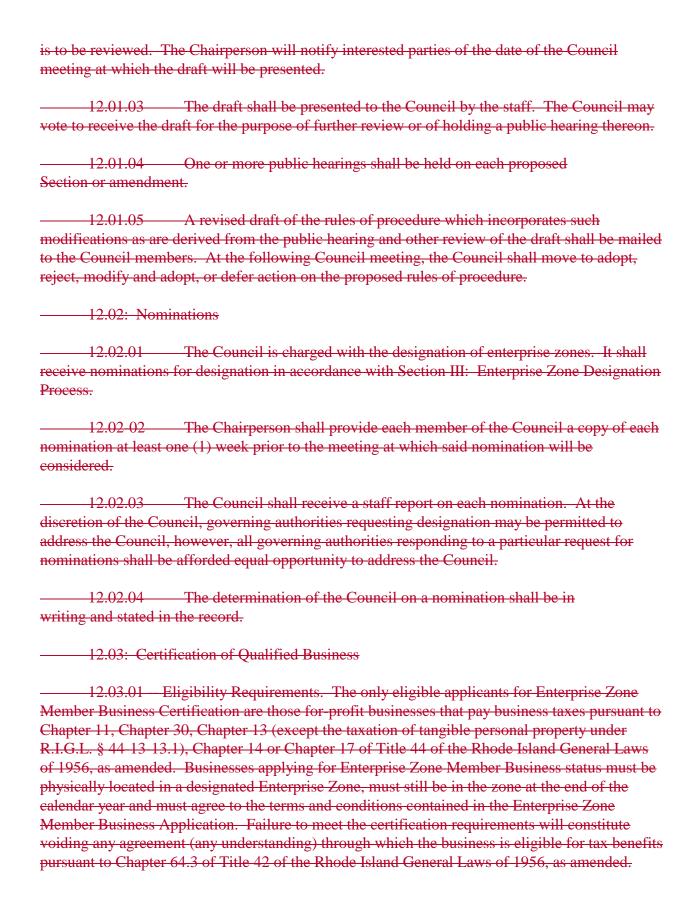
Jobs Employees), ABC WILL NOT have satisfied the five percent (5%) test (5% of 100=5) and

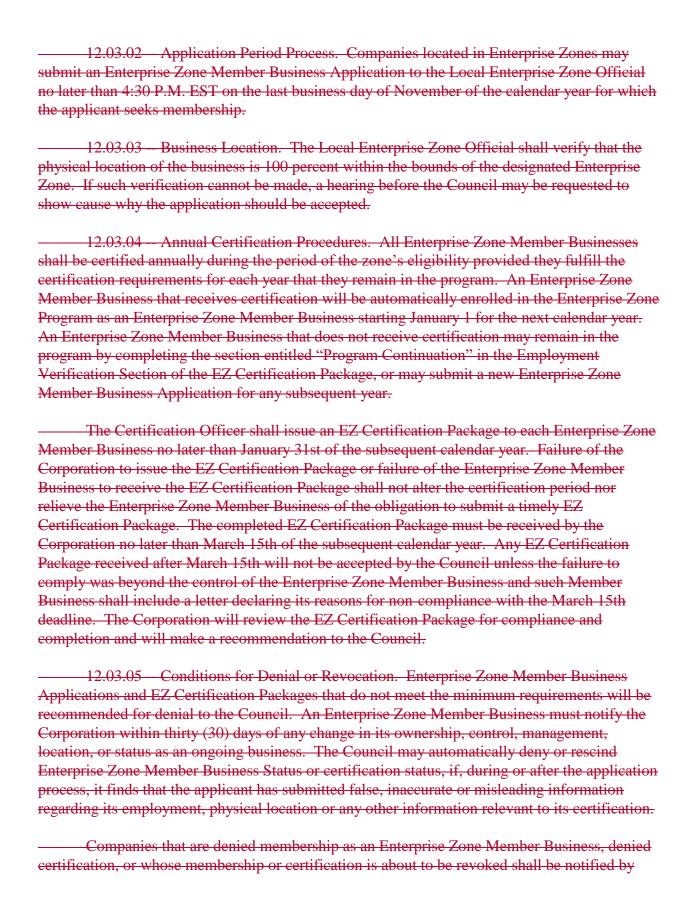
3.22 "Total Rhode Island Wages" shall mean those wages, tips and other compensation
as defined in the Internal Revenue Code of 1986, paid by an employer to its employees that are
located within the State of Rhode Island.
3.23 "Public Supported Improvement Project" provision repealed effective January 1,
2004.
2007.
— 3.24 "Manufacturing" shall mean any business which reports its primary business
activity as Standard Industrial Classification (SIC) code 20 through 39 inclusive as defined by the
most recent Standard Industrial Classification Manual published by the Executive Office of the
President, Office of Management and Budget.
3.25 "Effective Date of Certification" shall mean the date upon which the Qualified
Business meets the test imposed in R.I.G.L. § 42-64.3-3 and applies to the calendar year for
which these tests were performed.
3.26 "Carry Forward" shall mean, that pursuant to R.I.G.L. § 42-64.3(6), the tax credits
established pursuant hereto may be carried forward for a period of three (3) years if in each of the
three (3) calendar years a business which has qualified for tax credits under this section (a) does
not reduce the number of its employees from the last Effective Date of Certification; (b) obtains
certificates of good standing from the Rhode Island Division of Taxation, the corporations
division of the Rhode Island Secretary of State and the appropriate municipal tax collector; (c)
provides the Council an affidavit under oath that this business has not within the preceding
twelve (12) months changed it legal status for the purpose of gaining favorable treatment under
the provision of R.I.G.L. § 42-64.3; (d) meets any other requirements of the Council; and (e) has
received Carry Forward Certification from the Council pursuant to these rules and regulations.
Section 4: Powers and Duties
4.01 The Enterprise Zone Council is empowered with the following powers and duties
to implement Chapter 42-64.3 of the General Laws of Rhode Island.
(a) Promulgate rules and regulations to implement the Act;
(b) Promulgate criteria for designation of Enterprise Zones;
(c) Designate and redesignate Enterprise Zones;
(d) Encourage and coordinate the utilization of available state and federal
resources;
— (e) Monitor progress in achieving the intent of the Act;

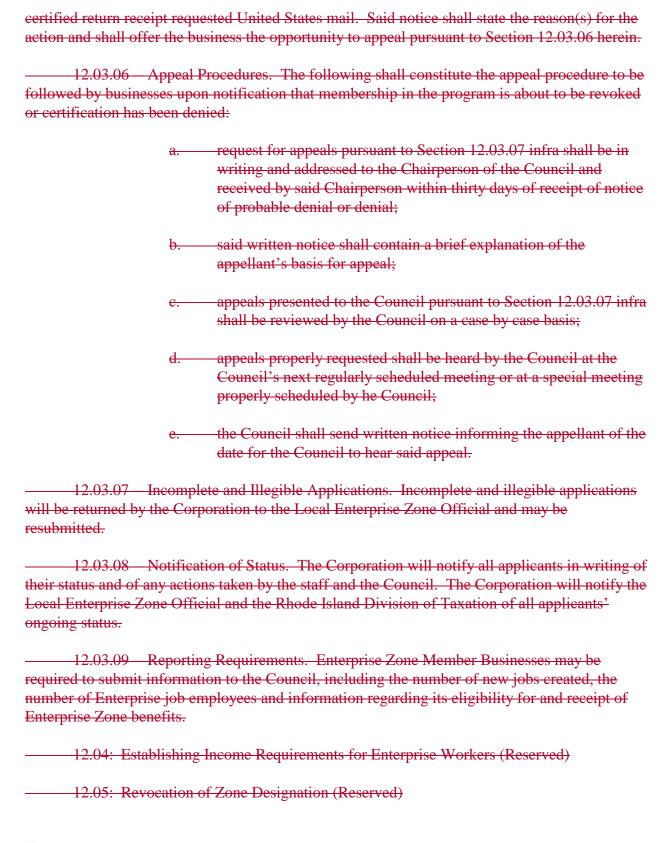


preside at all meetings of the Council. In his or her absence, the Vice Chairman or the Secretary
shall preside. The officer presiding shall call for each item in the order appearing on the agenda
unless otherwise determined by vote of the Council. The officer presiding shall recognize
members desiring to speak and may, at his/her discretion, authorize any other person to address
the Council. He/she shall receive motions and seconds, conduct votes on each question, and
determine the prevailing side. The officer presiding shall vote on each question.
7.02 The Vice Chairperson shall perform the duties and exercise the powers of the
Chairperson in the absence or incapacity of the Chairperson. In case of the resignation or death
of the Chairperson, the Vice Chairperson shall perform the duties and exercise the powers of the
Chairperson until such time as a new Chairperson is appointed.
7.03 The Secretary shall keep accurate and complete records of attendance and of the
proceedings of the Council, recording all votes and performing all duties incident to this office.
The Secretary shall also keep written minutes of the Council meetings, and shall certify actions
of the Council.
Section 8: Attendance
rection 6. Teternance
8.01 Members who miss more than three consecutive meetings without having
submitted to the Chairperson a notice of any reason for such absence shall be asked by letter to
become more active on the Council. In the event of further absence, the Council may decide by
majority vote to send a recommendation to the Governor, asking that the appointment be
reconsidered.
8.02 Each Council member may appoint not more than one designee to represent the
member at Council meetings. Designees of members shall have full voting privileges. The name
of the designee must be submitted in writing to the Secretary by the member to be represented.
Section 9: Meetings
9.01 Meetings shall be held at the call of the Chairperson, however, the Council shall
meet not less than once in any calendar year. The time and place of the meetings shall be
determined by the Chairperson. A quorum shall be a majority of the membership.
9.02 Prior to each meeting, the Chairperson shall prepare an agenda. The agenda for
each regular meeting shall include the following:
1. Approval of the minutes of the previous meeting
2. Items for action or discussion
— 3. Other business
Any member of the Council may place an item on the agenda of any regular meeting,
under the heading "Other Business." Members of the staff, federal or state agencies, local
government, and the public may request to have an item placed on the agenda. Such request
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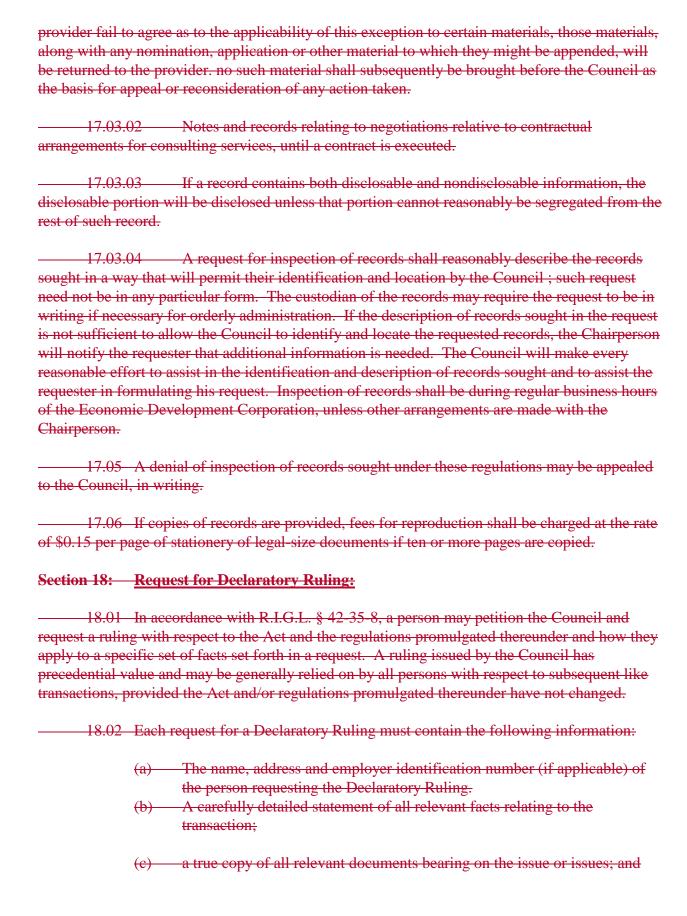




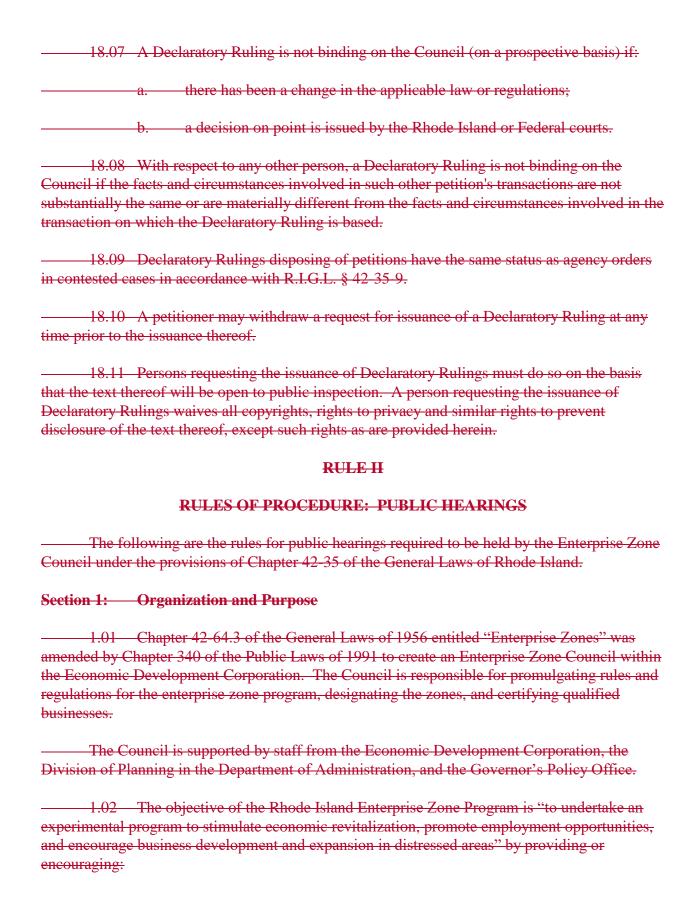


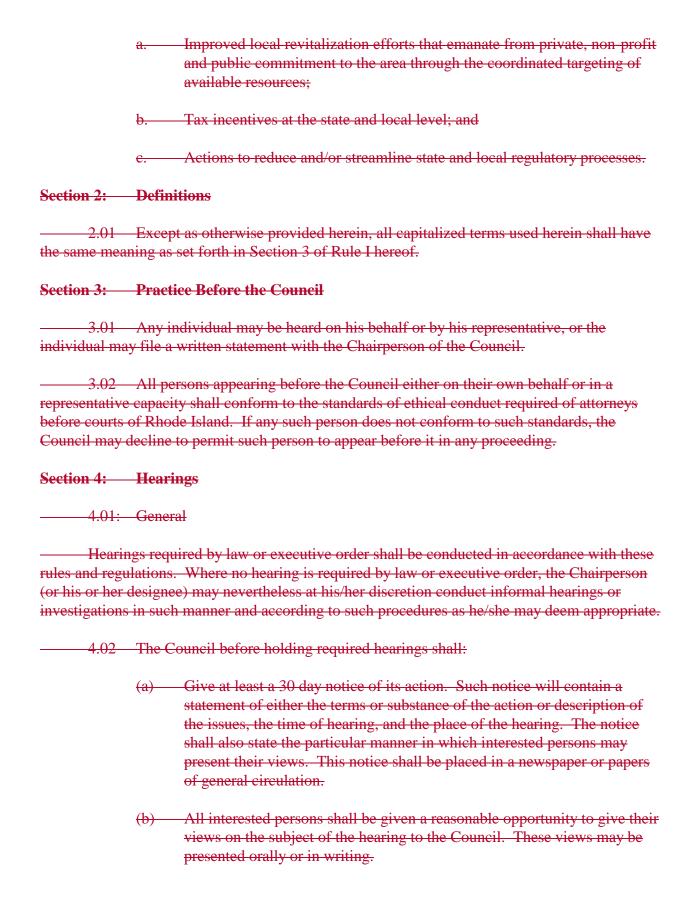
Section 13: Emergency Procedures

The Council may waive or modify any provision of Section 12 when, in its judgment,
such action would be in the best interest of the people of the state. If a mandatory public hearing
or the minimum notice thereof is waived, any action taken as a result of such waiver shall be
effective for a maximum of 120 days. An action so taken may subsequently be repeated and
given full effect if the applicable requirements for public hearings are observed in their entirety.
Section 14: Public Hearings
14.01 Public hearings shall be conducted in accordance with the Administrative
Procedures Act and the Rules for Public Hearings adopted by the Council, and shall be held
before the Council adopts, amends, or repeals Council Rules of Procedure.
14.02 Public hearings may be scheduled as part of Council meetings or at other times as
directed by the Council. When appropriate, a public hearing shall be held in the general area
particularly affected by the action under consideration.
Section 15: Rules of Order
Robert's Rules of Order shall be followed in those situations where these Rules for
Organization and Operation are silent.
Section 16: Amendments
These Rules may be amended in accordance with Section 12.01.
Section 17: Access to Files and Records
17.01 It is the policy of the Council that its files and records shall be available for
inspection by the public to fullest possible extent consistent with the Program's ability to pursue
effectively its activities, with the rights of individuals to privacy, with the rights of persons to
necessary confidentiality of proprietary information, and with the need of the Council for frank
policy deliberations.
17.02 All files and records of the Council are available for public inspection unless they
are specifically exempted by these rules or unless their disclosure is prohibited by state or federal
law or by order of a court of competent jurisdiction.
and of by order of a court of competent jurisdiction.
17.03 The following categories of files and records, or information in such files and
records, of the Council shall not be available for inspection:
17.02.01 Trade counts and other promises with a state of the state of
17.03.01 Trade secrets and other proprietary information shown by their provider, to
the satisfaction of the Chairperson, to be of such character that their confidentiality should be
maintained in order to preserve the provider's competitive position in industry, or that their
disclosure would detrimentally affect the provider's business. If the Chairperson and the



(d)	a statement of the Declaratory Ruling requested and the petitioner's argument in support of its request including relevant authority for such request.
18.03 A De	eclaratory Ruling will not be issued:
(a)	if the Act and/or the regulations are clear and unambiguous with respect to the requested ruling;
(b)	in response to inquiries concerning hypothetical situations;
(c)	if the requested ruling is not within the jurisdiction of the Council;
(d)	if the same or similar issue has been addressed in a previous Declaratory Ruling by the Council; or
(e)	if the Council in its judgment, determines that the request is not appropriate for a Declaratory Ruling.
make a recommend majority vote the iss by the Chairperson	ation to the Council appointed by Chairperson. The subcommittee shall ation to the Council for appropriate action. The Council shall approve by suance of a Declaratory Ruling and each Declaratory Ruling shall be signed or Secretary of the Council and shall contain a notation that it was approved meeting held on [date].
with respect to (1) apersons identified a (2) other transaction request for issuance establishing that the same and are not m	eclaratory Ruling represents the position of, and is binding on, the Council particular transaction (and subsequent like transactions) involving the sinterested parties in the request for issuance of the Declaratory Ruling and as involving persons other than those identified as interested parties in the of the Declaratory Ruling, but such other persons have the burden of efacts and circumstances involved in their transactions are substantially the aterially different from the facts and circumstances involved in the transaction ratory Ruling is based.
	respect to the petitioner to which a Declaratory Ruling was originally issued as an interested party in the request therefor, a Declaratory Ruling is not neil if:
a.	there has been a misstatement or omission of material facts;
b. —	the facts subsequently developed are materially different from the facts on which the Declaratory Ruling was based.





- (c) If the Council finds there is an imminent peril to the public health, safety or welfare it can adopt rules or regulations without a prior 30 day notice or with a notice period shorter than 30 days. In such cases a Section so promulgated is effective for up to 120 days with the option to renew it for an additional 90 day period. In any event any plan so promulgated can later be adopted in accordance with the rules outlined herein.
- (d) The proposed rules or regulations on which the hearing is to be held shall be available for public review in the office of the Corporation from the date notice of the hearing is given to the date of the hearing, during normal business hours.
- (e) Any notice of a public hearing given may be withdrawn by publishing notice to that effect in a newspaper or paper of general circulation.

4.03: Rules of Evidence

Irrelevant, immaterial, or unduly repetitious evidence shall be excluded by the Chairman. The rules of civil procedure used in the Superior Court of Rhode Island may be followed, but the Chairman shall not be bound to follow these rules when there are facts not susceptible of proof under the civil rules of procedure; provided, however, such facts are of a type commonly relied upon by reasonably prudent men.

- (a) Documentary evidence may be received in copy form when originals are not available.
- (b) Notice can be taken of judicially cognizable facts as well as facts of generally recognized technical or scientific facts within the agency's specialized knowledge; but parties must be notified of such actions.

4.04: Decisions and Orders

Any final decision of the Council shall be accompanied by a concise and explicit statement of the underlying facts supporting the findings. If proposed finding shall include in its decision rulings upon each proposed finding. Any finding or decision of the Council shall be made available to the public.

4.05: Record of the Hearing

A record shall be taken, and kept on file at the offices of the Corporation. of each hearing held by the Council. Such record shall include, but is not limited to, a list of those attending the hearing and a summary of the oral statements made. All written statements received by the Council in accordance with Section 4, Section 4.02(2) shall be appended to the record.

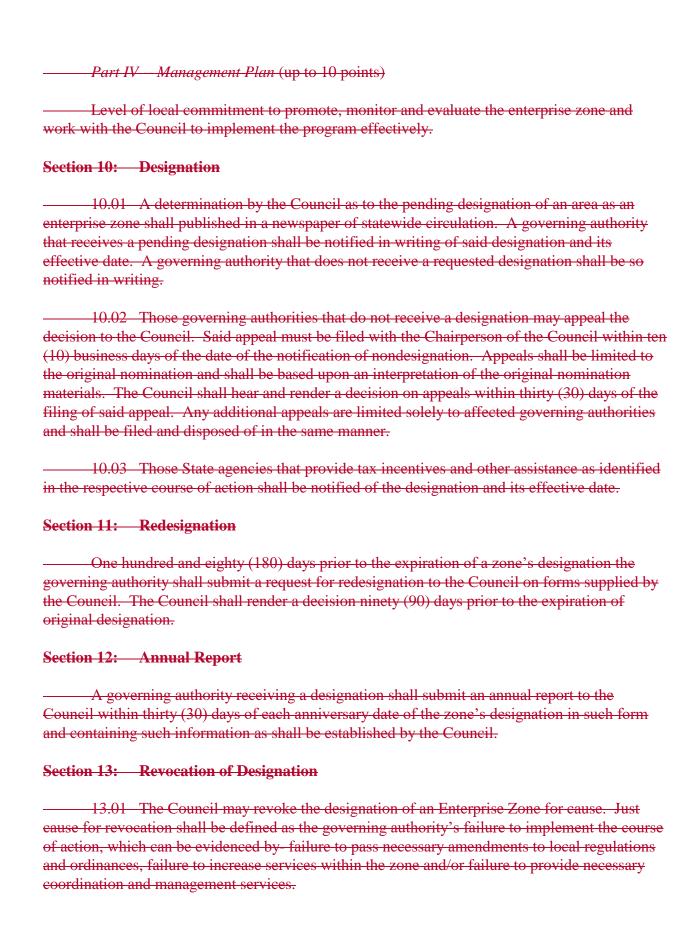
4.06: Statements - Written or Oral

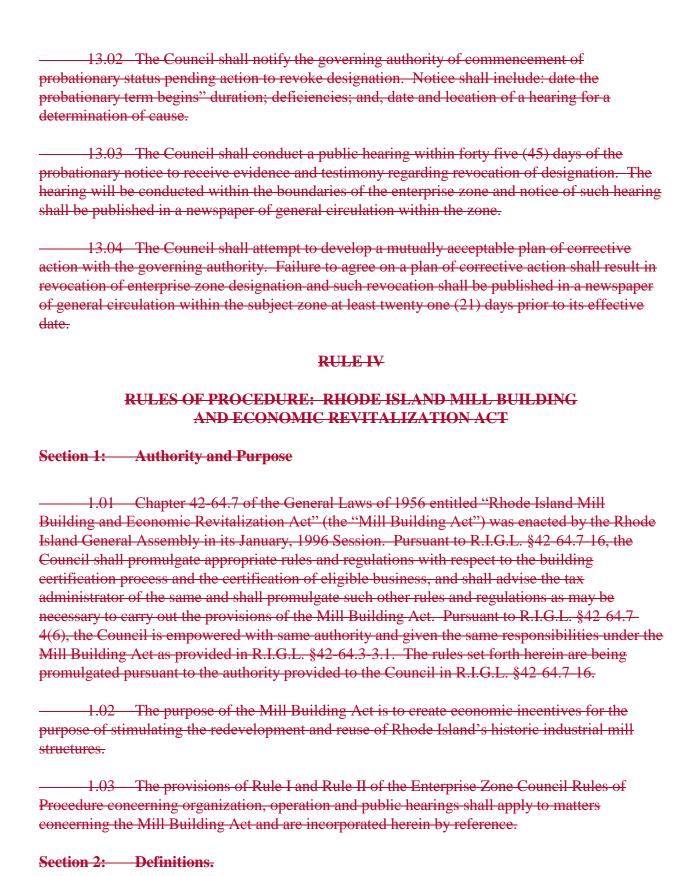
All statements, comments, and or questions, whether written or oral, must be directed to
the Chairperson (or his or her designee) of the Council.
Section 5: Construction
These rules shall be interpreted and applied in a manner consistent with the purpose of the public hearings required by Chapter 42-35 of the General Laws of Rhode Island.
the public hearings required by Chapter 42-33 of the General Laws of Knode Island.
RULE III
RULES OF PROCEDURE: ENTERPRISE ZONE DESIGNATION PROCESS
The following are the rules for review of and action upon nominations for designation of enterprise zones as required by R.I.G.L. § 42-64.3-3.1.(d), as amended.
Section 1: Purpose
Legislation establishing a Rhode Island Enterprise Zone program was originally enacted as Chapter 42.64.3 of the General Laws in 1982. The program was never implemented because the law stipulated that "designation, shall not operate or be implemented independently of federal enterprise zone legislation." The Rhode Island law was amended by Chapter 340 of the Public Laws of 1991 to, among other things, delete that stipulation and permit the designation of up to five enterprise zones. The amendment also created an Enterprise Zone Council and directed it to promulgate rules and regulations necessary to implement the intent of the act.
Section 2: Definitions
2.01 Except as otherwise provided herein, all capitalized terms used herein shall have the same meaning as set forth in Section 3 of Rule I hereof.
Section 3: Administrative Organization
§ 42-64.3-3.1 of the General Laws creates an Enterprise Zone Council within the Economic Development Corporation. The Council is responsible for promulgating rules and regulations for the enterprise zone program, designating the zones, and certifying qualified businesses.
The Council is supported by staff from the Corporation, the Division of Planning in the Department of Administration, and the Governor's Policy Office.
Section 4: Program Objectives
The objective of the Rhode Island Enterprise Zone Program is "to undertake an experimental program to stimulate economic revitalization, promote employment opportunities,

and encourage business development and expansion in distressed are	eas" by providing or
encouraging:	
a. Improved local revitalization efforts that emar and public commitment to the area through the available resources;	
avanable lesources;	
b. Tax incentives at the state and local level; and	4
c. Actions to reduce and/or streamline state and	local regulatory processes.
Section 5: Eligible Communities	
All Rhode Island cities and towns are eligible to submit nominal designation, however, it must be noted that the program is intended to activity in the State's distressed areas.	
Two or more cities and towns may submit joint nominations nominated area crosses their common boundaries.	for designation if the
Section 6: Limit On Designation Of Enterprise Zone	
The Council shall not designate more enterprise zones than a §42-64.3-4, as the same may be amended from time to time.	as are provided by R.I.G.L.
Joint nominations by any two or more governing authorities sone.	shall count as one regional
Section 7: Configuration And Maximum Size	
Except as provided in the Act, Enterprise Zones may not exceensus tracts in size. However, delineation does not have to conform tract boundaries nor do the boundaries have to be contiguous as long within the boundaries of not more than five (5) census tracts. Distretor each entire census tract that the proposed enterprise zone include	n to the respective census g as the configuration is ess criteria will be calculated
The boundaries of an approved zone may be amended, either the Council on its own motion or upon petition from the governing a by the Council.	_
Section 8: Nominations For Zone Designation	
8.01 The Council will establish a time period and procedure Nominations for Designation of an Enterprise Zone. The submission pertinent details will be published as a Request for Nominations in a	n deadline and other

Nominations	shall be provided for submission of nominations.
nominations,	A city or town may submit more than one nomination, or, in the case of joint more than one joint nomination; however, each nomination must be for a separate eographic area.
8.03	Prior to submitting a nomination to the Council the respective city or town must:
	a. Convene a public hearing to obtain views of citizens on the delineation of the prospective zone(s).
	b. Provide the local planning board or commission with an opportunity to review the proposed zone(s) for conformance with the local comprehensive plan.
	c. By resolution, the local governing authority must make commitments to each nominated zone as specified in R.I.G.L. § 42-64.3-4(a).
	Completed nominations shall be submitted to the Council's staff at the
original and t	on forms approved and provided by the Council by the required deadline. One en copies of each nomination shall be submitted. Nomination Evaluation System
original and t	
Section 9: 9.01 Nomi	en copies of each nomination shall be submitted. Nomination Evaluation System Enterprise Zone Council Review nations will be reviewed by the Council, assisted by the staff, for content and
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	Part IV Management Plan
	Each nomination will be scored by the Corporation, the Division of Planning and 's Policy Office. These scores will be made available to the Council and shall be
	s part of the nomination process.
9.04	Evaluation Scoring System
——————————————————————————————————————	Distress Criteria (35 Points)
A.	Poverty (10 points)
	Percent of Households in below poverty level
	0 to 10 points - low percent to high percent
<u>В.</u>	Unemployment (15 points)
	Percent of labor force in zone that is unemployed
	0 to 15 points - low percent to high percent
— С.	Overcrowded Housing (5 points)
	Percent of occupied housing units with one or more persons per room
	0 to 5 points - low percent to high percent
———D.	Population Loss (5 points)
	Percent decrease in population between 1980 - 1990
	0 to 5 points - low percent to high percent
———Part I	<i>I Course of Action</i> (up to 50 points)
The jes	ob generation and/or retention potential of the course of action as demonstrated by ns, such as:
-	Amount and type of fodous and state funds towarded to make
	Amount and type of federal and state funds targeted to zone;
	Specific increase in public services targeted to zone; Specific procedures for expediting state and local regulations:
	Specific procedures for expediting state and local regulations; Level of commitment of non-governmental agencies and organizations to the
	course of action:
	Special programs to promote minority and female opportunities;
	Special programs to promote finiority and female opportunities, Special programs to assist income disadvantaged individuals and businesses; and
	Other special programs
——————————————————————————————————————	'II Regionalization (up to 5 points)
———Degre	be to which the course of action and or delineation promotes a regional use of
resources.	





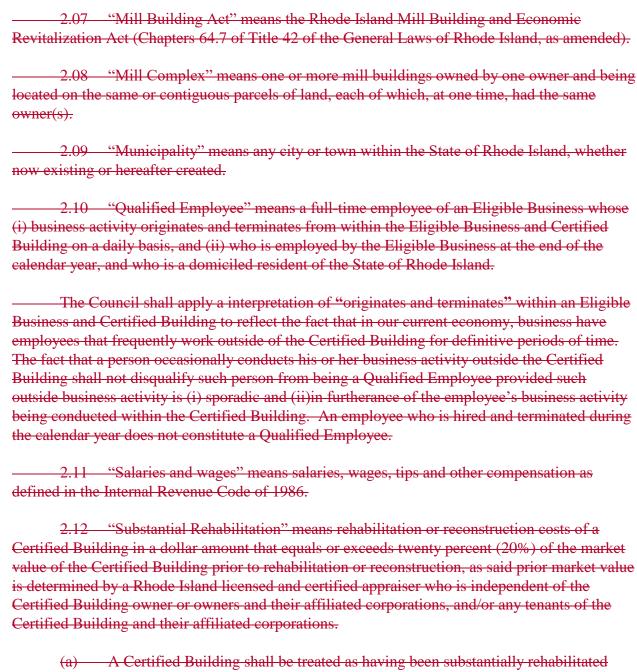
2.01 Except as otherwise provided herein, all capitalized terms used herein shall have the same meaning as set forth in Section 3 of Rule I hereof. In addition, the following words and terms shall have the following meanings whenever used in these rules. 2.02 "Certifiable Building" means a mill complex or building: that was constructed prior to January 1, 1950; and having at least two (2) floors, excluding a basement, and (c) which is or will be used primarily for manufacturing and/or wholesale trade and/or other commercial purposes; and (d) the use of which conforms to the comprehensive plan and local land use management ordinances of the Municipality in which the building is located; and that is proposed for Substantial Rehabilitation (as defined herein); and that has been at a minimum seventy five (75%) vacant for a minimum of twenty-four (24) months at the time of submission by the Municipality; that is designated by the Municipality for consideration as a Certifiable building; and (h) meets other requirements as established by the Council; and designated by the Council as a Certified Building pursuant to the requirements of R.I.G.L. §42-64.7-5. A building which is or will be used primarily for manufacturing and/or wholesale trade and/or other commercial purposes as provided in Section 2.02(c) hereof means a building in which more than sixty (60%) percent in the aggregate of said building's useable floor space is used for manufacturing and/or wholesale trade and/or other commercial purposes. Floor space used for bathrooms, cafeterias and lounges is not useable floor space. For the purposes of this provision, a Mill Complex (as defined herein) or some of the buildings in a Mill Complex may qualify as a Certifiable Building provided such Mill Complex or portion thereof meets all other requirements of the Mill Building Act and the provisions of these regulations. 2.03 "Certification of an Eligible Business" means an annual process taking place on a calendar year basis to certify entities as Eligible Business. Businesses certified as Eligible Businesses hereunder which may also be eligible for certification as Certified Business under the provisions of section 42-64.3-3(d) of the Act must elect certification under only one designation of each certification year. This election must be made for each certification year provided that the business continues to be eligible for both designations on a year to year basis.

Council as a Certified Building pursuant to the requirements of R.I.G.L. § 42-64.7-5. A portion

of a building may be treated as a separate building for purposes of these regulations if:

2.04 "Certified Building" means a building which has received final designation by the

- (i) it consists of a clearly identifiable part of a certifiable building, including without limitation, one or more wings, stories, or other separable portions of a Certifiable Building;
- (ii) it is held by a single owner, regardless of form of ownership, including in fee or as a condominium, cooperative or leasehold interest; and
- (iii) at least one Eligible Business reasonably could be operated within the confines of such portion.
- 2.05 "Certified Building Owner" means an individual, partnership, corporation or other entity which is listed in the appropriate municipal records of land evidence as the owner of a Certifiable Building and may include one or more successors in title to the owner of the building at the time the building received written notice of final designation as a certified building pursuant to Section 42-64.7-6. A certified building owner may include the owner of a leasehold interest with a minimum term of fifty (50) years, with respect to which a memorandum of lease has been received in the land evidence records.
- 2.06 "Eligible Business" means any business, corporation, sole proprietorship, partnership, limited partnership or limited liability company which:
 - (a) is located in a Certified Building after said building has undergone Substantial Rehabilitation (as hereinafter defined); and
 - (b) is engaged principally in manufacturing or wholesale trade or other commercial business activity, as such activities are defined and listed in the Standard Industrial Classification manual prepared by the Technical Committee on Industrial Classification, Office of Statistical Standards, Executive Office of the President, United States Bureau of the Budget, as revised from time to time; and
 - (c) whose total Rhode Island Salaries and Wages exceed the total Rhode
 Island Salaries and Wages paid to its employees in the prior calendar year;
 and
 - (d) has received certification from the Enterprise Zone Council pursuant to the rules and regulations promulgated by the Council; and
 - (e) which, as part of its annual certification: (i) obtains certificates of good standing from the Rhode Island Division of Taxation, the Corporations Division of the Rhode Island Secretary of State, and the appropriate Municipal authority; and (ii) provides the Council an affidavit stating under oath that the entity seeking certification as a Qualified Business has not within the preceding twelve (12) months from the date of application for certification changed its legal status or location solely for the purpose of gaining favorable treatment under the provision of the law; and (iii) meets certain other requirements set forth by the Council.



(a) A Certified Building shall be treated as having been substantially rehabilitated only if the reconstruction and rehabilitation expenditures incurred during the twenty four (24) months period selected by the Certified Building owner and ending with or within the taxable year in which the rehabilitated Certified Building is first placed in service by the Certified Building owner meet the definition of "substantial rehabilitation" set forth in Section 42-64.7-4(12). For purposes of determining whether the requirements of Section 42-64.7-4(12) have been met, the market value of the Certified Building shall be determined at the beginning of the 1st day of such twenty-four (24) month period.

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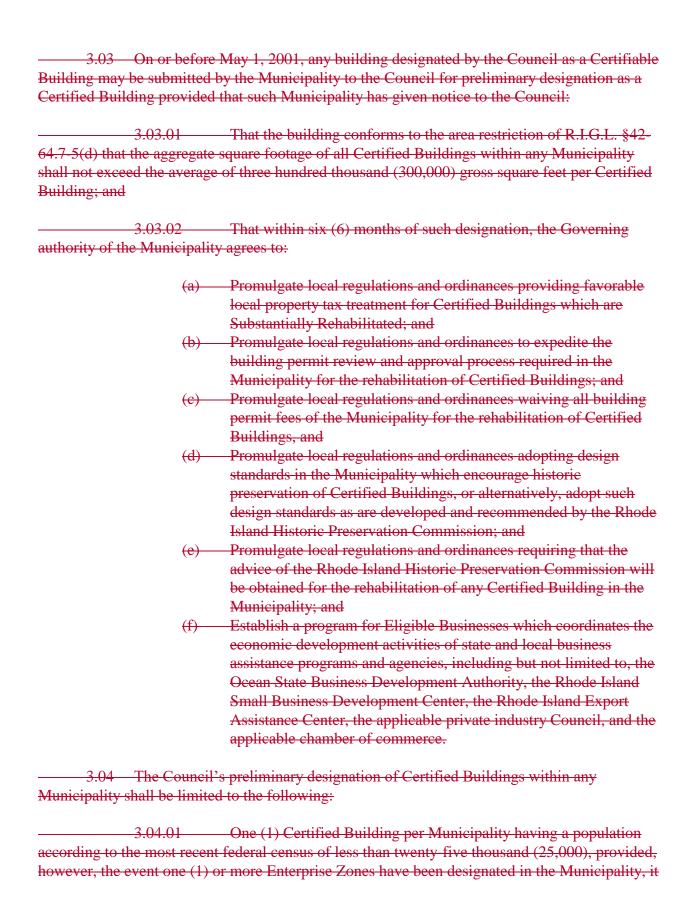
- (b) In the case any rehabilitation which may reasonably be expected to be completed in phases set forth in architectural plans and specifications completed before the rehabilitation begins, clause (a) above shall be applied by substituting "sixty (60) month period" for "twenty four (24) month period".
- 2.13 "Rehabilitation and Reconstruction Costs" means and includes only those amounts incurred and paid by the Certified Building owner, after issuance of the notice of final designation of the building, solely and exclusively for the rehabilitation of said Certified Building and which are incurred and paid by the Certified Building owner to acquire tangible personal property and structural components of the said Certified Building which:
 - (a) are depreciated pursuant to chapter 26, section 167 of the United States Code: and
 - (b) have a useful life of three (3) years or more as evidenced by the tax depreciation method taken and shown on the federal tax return of the Certified Building owners; and
 - (c) are acquired by purchase as defined In chapter 26, Section 179(d) of the United States Code.

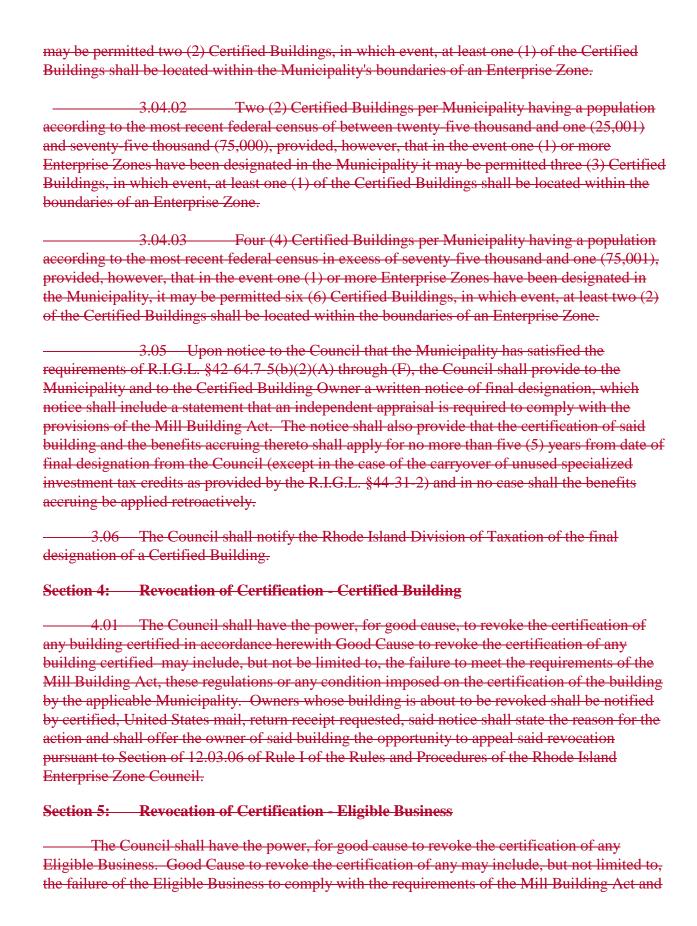
Rehabilitation and Reconstruction Costs do not include amounts incurred or paid with respect to tangible personal property and structural components of the said Certified Building which the Certified Building owner leases from any other person or corporation. For the purposes of the preceding sentence, any contract or agreement to lease or rent or for a license to use the property shall be considered a lease unless the contract or agreement is treated for the federal income tax purposes of the Certified Building owner as an installment purchase rather than a lease.

Section 3: Building Certification Process.

3.01 Not later than December 1, 2000, a Municipality shall submit to the Council a list of industrial mill structures located within the Municipality for consideration by the Council as to whether any such structures qualify as Certifiable Buildings. The Council shall notify the Municipality as to which structures qualify as Certifiable Buildings. The list submitted by the Municipality to the Council shall be on forms provided by the Council. After the Municipality has submitted its list of Certifiable Buildings, no further buildings or lists of buildings shall be submitted to the Council by such Municipality for consideration as to whether any such structures qualify as Certifiable Buildings.

3.02 Prior to submitting a list of industrial mill buildings to the Council for consideration by the Council as to whether any such structures qualify as Certifiable Buildings, the Governing authority of the Municipality shall conduct a public hearing to give all interested persons reasonable opportunity to give their views on the list to be submitted by the Governing authority to the Council. The public hearing shall be conducted in accordance with the rules and regulations established by the Governing authority but, at a minimum, shall comply with the provisions of the Open Meetings Act (R.I.G.L. 42-46).





the rules and regulations set forth herein. Companies whose certification is about to be revoked shall be notified by certified, United States mail, return receipt requested, said notice shall state the reason(s) for the action and shall offer the business the opportunity to appeal said revocation pursuant to Section 12.03.06 of Rule I of the Rules of Procedures of the Rhode Island Enterprise Zone Council.

Section 6: Expiration of the Provisions of the Mill Building Act

The provisions of the Mill Building Act and the rules and regulations promulgated thereunder shall expire on August 6, 2003, unless the same has been extended by action of the Rhode Island General Assembly.