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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STATEWIDE SITE READINESS
FUND

Introduced By: Representatives O'Brien, Millea, and Almeida

Date Introduced: January 11, 2019

Referred To: House Finance

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 42 of the General Laws entitled "STATE AFFAIRS AND
2 GOVERNMENT" is hereby amended by adding thereto the following chapter:

3 CHAPTER 64.33

4 STATEWIDE SITE READINESS FUND

5 **42-64.33-1. Short title.**

6 This chapter shall be known and may be cited as the "Statewide Site Readiness Fund."

7 **42-64.33-2. Legislative findings.**

8 The general assembly finds and declares:

9 (1) That due to global economic trends, businesses in Rhode Island have found it difficult
10 to invest in development projects and other significant capital investments in and surrounding the
11 state. Investment in such projects would stimulate economic activity, facilitate the creation of
12 new jobs for the citizens of the state and promote economic growth and development.

13 (2) Through the establishment of the statewide site readiness fund, Rhode Island can take
14 steps to attract and grow new businesses and industries to and from the state, create good-paying
15 jobs for its residents, assist with business and real estate development, and generate revenues for
16 necessary state and local governmental services.

17 **42-64.33-3. Definitions.**

18 As used in this chapter:

1 (1) "Applicant" means a developer or occupant applying for a loan or conditional loan
2 under this chapter.

3 (2) "Business" means a corporation as defined in §44-11-1(4), or is a partnership, an S
4 corporation, a nonprofit corporation, sole proprietorship, or a limited liability company.

5 (3) "Capital investment" in a redevelopment project means costs or expenses by a
6 business or any affiliate of the business incurred after application for:

7 (i) Site preparation and construction, repair, renovation, improvement, equipping, or
8 furnishing on real property or of a building, structure, facility, or improvement to real property;

9 (ii) Obtaining and installing furnishings and machinery, apparatus, or equipment,
10 including, but not limited to, material goods for the operation of a business on real property or in
11 a building, structure, facility, or improvement to real property.

12 (4) "Corporation" means the commerce corporation.

13 (5) "Developer" means a person, firm, corporation, partnership, association, political
14 subdivision, or other entity that proposes to divide, divides, or causes to be divided real property
15 into a subdivision or proposes to build, or builds a building or buildings or otherwise improves
16 land or existing structures, which division, building, or improvement of land qualifies for benefits
17 under this chapter.

18 (6) "Occupant" means a business as a tenant, owner, or joint venture partner, occupying
19 space pursuant to a lease or other occupancy agreement on the I-195 land or a project developed
20 on such land.

21 (7) "Personal property" means furniture, fixtures, and equipment, except automobiles,
22 trucks, or other motor vehicles, or materials that otherwise are depreciable and have a useful life
23 of one year or more, that are utilized for the redevelopment project for any given phase of the
24 redevelopment project inclusive of a period not to exceed six (6) months after receipt of a
25 certificate of occupancy for the given phase of the development.

26 (8) "Project cost" means the costs incurred in connection with a project by an applicant
27 until the issuance of a permanent certificate of occupancy, or until such other time specified by
28 the commerce corporation.

29 (9) "Project financing gap" means:

30 (i) The part of the total project cost that remains to be financed after all other sources of
31 capital have been accounted for (such sources will include, but not be limited to, developer-
32 contributed capital), which shall be defined through rules and regulations promulgated by the
33 commerce corporation; or

34 (ii) The amount of funds that the state may invest in a project to gain a competitive

1 advantage over a viable and comparable location in another state by means described in this
2 chapter.

3 **42-64.33-4. Establishment of the fund uses and composition.**

4 (a) The statewide site readiness fund (the "fund") is hereby established under the
5 jurisdiction of and shall be administered by the corporation in order to further the goals set forth
6 in this chapter to promote, among other purposes, the development and attraction of advanced
7 industries and innovation in order to enhance Rhode Island's economic vitality.

8 (b) The uses of the fund include, but are not limited to:

9 (1) Contributing to capital investment requirements for commercial, industrial,
10 manufacturing and general business zoned property;

11 (2) Filling project financing gaps for real estate projects which are shared ready;

12 (3) Financing land acquisition in areas determined to be beneficial for business growth;

13 (4) Financing public infrastructure and public facilities to support or enhance
14 development including, but not limited to, transportation, parks, greenways, performance venues,
15 meeting facilities, community facilities, and public safety precincts; and

16 (5) The creation of a sustainable funding mechanism which provides the funds necessary
17 for preparing the property for sale including, but not limited to, cleanup engineering, and
18 permitting.

19 (c) The fund shall consist of:

20 (1) Money appropriated in the state budget to the fund;

21 (2) Money made available to the fund through federal programs or private contributions;

22 (3) Repayments of principal and interest from loans made from the fund;

23 (4) Proceeds from the sale, disposition, lease, or rental of collateral related to financial
24 assistance provided under this chapter;

25 (5) Application or other fees paid to the fund to process requests for financial assistance;

26 (6) Recovery made by the commission or on the sale of an appreciated asset in which the
27 corporation has acquired an interest under this chapter; and

28 (7) Any other money made available to the fund.

29 **42-64.33-5. Assistance, powers of commission, reports.**

30 (a) An applicant seeking assistance under this chapter shall submit a request to the
31 corporation pursuant to an application procedure prescribed by the corporation.

32 (b) Any approval for funding under this chapter may only be granted by the corporation.

33 (c) The corporation may set the terms and conditions for assistance under this chapter.

34 Except as provided in subsection (b) of this section, any decision to grant or deny such assistance

1 lies within the sole discretion of the corporation.

2 (d) The corporation shall publish a report on the fund at the end of each fiscal year. The
3 report shall contain information on the commitment, disbursement, and use of funds allocated
4 under the fund. The report shall also, to the extent practicable, track the economic impact of
5 projects that have been completed using the fund. The report is due no later than sixty (60) days
6 after the end of the fiscal year, and shall be provided to the speaker of the house of
7 representatives, and the president of the senate.

8 **42-64.33-6. Implementation guidelines, directives, criteria, rules, regulations.**

9 The corporation, in collaboration with the Rhode Island infrastructure bank, shall adopt
10 implementation guidelines, directives, criteria, rules and regulations pursuant to chapter 35 of title
11 42 (administrative procedures act) as are necessary for the implementation of the corporation's
12 responsibilities under this chapter, and impose such fees and charges as are necessary to pay for
13 the administration and implementation of this program.

14 **42-64.33-7. Security interest - Deed attachment.**

15 The corporation shall, through deed attachment, be authorized to maintain a lien on any
16 property conveyed pursuant to this chapter until repayment has been finalized.

17 **42-64.33-8. Program integrity.**

18 Program integrity being of paramount importance, the commerce corporation shall
19 establish procedures to ensure ongoing compliance with the terms and conditions of the program
20 established herein, including procedures to safeguard the expenditure of public funds and to
21 ensure that the funds further the objectives of the program.

22 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT -- STATEWIDE SITE READINESS
FUND

- 1 This act would create the statewide site readiness fund, a state sponsored fund for the
- 2 preparation of shared ready commercial, industrial and manufacturing property in the state.
- 3 This act would take effect upon passage.

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