

# **Neil Martin**

Rhode Island Commerce Corporation

Testimony to  
Revenue Estimating Conference

October 28, 2024



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# Small Business Development Fund

- SBDF Program was created by the General Assembly in the Fiscal Year 2020 by the SBDF Act, which authorizes the creation of small business loan funds.
- The SBDF Act authorizes up to \$65 million of qualifying loan funds in the aggregate for the SBDF Program, however, each individual loan may not exceed \$20 million in capital investment. This was subsequently amended in Fiscal Year 2025 reducing the authorization to \$40 million and allowing no further fund applications past 6/30/24.
- The Creation of these funds is incentivized by a tax credit against insurance-premium tax for investors who invest in the loan funds.
- Program authorizes loan funds that operate for a minimum of 6 years.
  - Years 1-3 dedicated to an initial deployment of capital in the form of loans to small businesses.
  - Years 4-6 dedicated to redeploying capital that is repaid.
  - Tax Credits issued in Years 4-6 on an annual credit allowance date with a value of 21.5% of the funds.
  - Totaling 64.5% over this 3-year period.
- Pursuant to the SBDF Act, the maximum tax credits issued for a \$20 million fund are \$12.9 million.

# Enhanced Capital Fund

In July 2020 Enhanced Capital was approved to create the first \$20 million fund. This initial small business loan fund focused on serving business impact by COVID-19 with loans with maximum interest rates (8%) and a minimum loan term of 5 years – as well as the hospitality and tourism industry (collectively, 75% of the fund was dedicated to COVID-19 impacted businesses). Enhanced Capital 2 was approved in January of 2024 and is currently active seeking opportunities. .

- Enhanced Capital 1 has lent out the first \$20 million over the past 3 years and has asked for its first of three potential tax credits totaling \$4.1 million.
- Enhanced has complied with the requirements of the program and is eligible for the \$4.1 million in tax credits.
- It is anticipated they will continue to comply and be eligible for similar credits in tax years 2025 and 2026.
- Enhanced Capital 2 has been funded and is currently building a pipeline.

# Summary of Loans as of 8/31/24

## Exhibit A

- Total Amount of Eligible Capital:
  - \$20,000,000
- Total Amount of Loans:
  - \$21,149,000
- Total Numbers of Loans:
  - 75
- Total Number of Companies:
  - 67
- Amount of Loans to COVID-19 Impacted Businesses:
  - \$17,099,000
- Percentage of Loans to COVID-19 Impacted Businesses:
  - 81%
- Amount of Loans to “eligible businesses” in hospitality and tourism:
  - \$9,060,000
- Percentage of Loans to “eligible businesses” in hospitality and tourism:
  - 43%
- Amount of Loans to self-certifying Minority owned businesses:
  - \$3,644,000
- Percentage of Loans to self-certifying Minority owned businesses:
  - 17%
- Amount of Loans to Rhode Island Division of Diversity, Equity, and Inclusion certified Minority owned businesses:
  - \$2,210,000
- Percentage of Loans to Rhode Island Division of Diversity, Equity, and Inclusion certified Minority owned businesses:
  - 10%

# Summary of Loans as of 8/31/24 – Exhibit A

(continued)

## Jobs At Closing

- Number of Employees at Closing: 655
- Number of Sole Proprietors/Owners/Consultants at Closing: 32
- Total Number of Jobs: 687

# Appendix

# Rhode Island Fund Tracking

## Eligible Capital



Eligible Capital		\$20,000,000.00													
#	Eligible Business	Investment Date	Loan Type	COVID-19 Impacted	Hospitality / Tourism	Minority by Company	Minority by OEDO	Total Investment		COVID-19 Investment		Hospitality / Tourism Investment		Minority Investment	
								Amount	%	Amount	%	Amount	%	Amount	%
1	Epic Decade, LLC	9/30/2021	Subordinated	Yes	No	No	No	\$500,000	2.50%	\$500,000	2.50%	\$0	0.00%	\$0	0.00%
2	Deepak Saluja D.M.D., Inc.	9/30/2021	Subordinated	Yes	No	Yes	No	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%	\$100,000	0.50%
3	Cosmo Beauty Group, LLC	10/15/2021	Subordinated	Yes	No	Yes	No	\$50,000	0.25%	\$50,000	0.25%	\$0	0.00%	\$50,000	0.25%
4	RI Hot Yoga, LLC	10/15/2021	Subordinated	Yes	Yes	Yes	No	\$50,000	0.25%	\$50,000	0.25%	\$50,000	0.25%	\$50,000	0.25%
5	East Greenwich Tavern, LLC	10/15/2021	Subordinated	Yes	Yes	No	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%
6	Wakefield Tavern, LLC	10/15/2021	Subordinated	Yes	Yes	No	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%
7	Hannes Tax Services	10/15/2021	Subordinated	Yes	No	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%	\$10,000	0.05%
8	Joel H Harrison, DMD, LTD	10/15/2021	Subordinated	Yes	No	No	No	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%	\$0	0.00%
9	Leshinsky Finance, LLC	10/15/2021	Subordinated	Yes	No	No	No	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%	\$0	0.00%
10	SD & JR, LLC dba Hunky Dory	10/15/2021	Senior	Yes	Yes	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
11	JNN, Inc. dba Rocco's Pub&Grub	10/15/2021	Senior	Yes	Yes	No	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%
12	ArchAngels, LLC	10/15/2021	Senior	Yes	No	Yes	No	\$200,000	1.00%	\$200,000	1.00%	\$0	0.00%	\$200,000	1.00%
13	Elevate Barre and Cycles, LLC	10/15/2021	Subordinated	Yes	Yes	Yes	No	\$20,000	0.10%	\$20,000	0.10%	\$20,000	0.10%	\$20,000	0.10%
14	GoValet LLC	10/15/2021	Senior	Yes	No	No	No	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%	\$0	0.00%
15	Harbinger Entertainment, LLC	11/12/2021	Subordinated	Yes	No	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%	\$10,000	0.05%
16	APM Consulting Group, LLC	11/12/2021	Senior	Yes	No	Yes	Yes	\$60,000	0.30%	\$60,000	0.30%	\$0	0.00%	\$60,000	0.30%
17	In Toone Communication LLC	11/12/2021	Subordinated	Yes	No	Yes	Yes	\$20,000	0.10%	\$20,000	0.10%	\$0	0.00%	\$20,000	0.10%
18	Fournier Beauty	11/12/2021	Subordinated	Yes	No	Yes	No	\$15,000	0.08%	\$15,000	0.08%	\$0	0.00%	\$15,000	0.08%
19	G Metz Moving, Inc.	11/18/2021	Senior	Yes	No	Yes	Yes	\$350,000	1.75%	\$350,000	1.75%	\$0	0.00%	\$350,000	1.75%
20	Lighthouse Productions RI DJ	11/18/2021	Senior	Yes	No	No	No	\$10,000	0.05%	\$10,000	0.05%	\$0	0.00%	\$0	0.00%
21	Thirsty Beaver Smithfield LLC	11/30/2021	Senior	Yes	Yes	No	No	\$1,000,000	5.00%	\$1,000,000	5.00%	\$1,000,000	5.00%	\$0	0.00%
22	Quick Fitting Holding Company, LLC	12/1/2021	Senior	Yes	No	No	No	\$1,000,000	5.00%	\$1,000,000	5.00%	\$0	0.00%	\$0	0.00%
23	Ignite Your Life Nutrition, LLC	12/28/2021	Unsecured	Yes	Yes	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
24	Papis Refrescos, LLC	12/28/2021	Subordinated	Yes	No	Yes	No	\$15,000	0.08%	\$15,000	0.08%	\$0	0.00%	\$15,000	0.08%
25	Rosalino Counseling Services, LLC	12/28/2021	Unsecured	Yes	No	Yes	Yes	\$20,000	0.10%	\$20,000	0.10%	\$0	0.00%	\$20,000	0.10%
26	The Bintimani Project, LLC	12/28/2021	Subordinated	Yes	Yes	Yes	Yes	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
27	The Increabowl Food Company, LLC	12/28/2021	Subordinated	Yes	Yes	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
28	Yankee Foods, LLC dba Mews Tavern	12/30/2021	Subordinated	Yes	Yes	No	No	\$1,000,000	5.00%	\$1,000,000	5.00%	\$1,000,000	5.00%	\$0	0.00%
29	Quick Fitting Holding Company, LLC	1/20/2022	Senior	Yes	No	No	No	\$3,000,000	15.00%	\$3,000,000	15.00%	\$0	0.00%	\$0	0.00%
30	BrewGrindz, LLC	2/14/2022	Subordinated	Yes	Yes	Yes	No	\$100,000	0.50%	\$100,000	0.50%	\$100,000	0.50%	\$100,000	0.50%



# Rhode Island Fund Tracking Eligible Capital (continued)



Eligible Capital \$20,000,000.00

#	Eligible Business	Investment Date	Loan Type	COVID-19 Impacted	Hospitality / Tourism	Minority by Company	Minority by OEDO	Total Investment		COVID-19 Investment		Hospitality / Tourism Investment		Minority Investment	
				(Y/N)	(Y/N)	(Y/N)	(Y/N)	Amount	%	Amount	%	Amount	%	Amount	%
31	Crepe Corner, LLC	2/14/2022	Subordinated	Yes	Yes	Yes	No	\$35,000	0.18%	\$35,000	0.18%	\$35,000	0.18%	\$35,000	0.18%
32	Paper Crown Preschool LLC	2/14/2022	Subordinated	Yes	No	Yes	No	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%	\$100,000	0.50%
33	East Greenwich Tavern, LLC	3/18/2022	Subordinated	Yes	Yes	No	No	\$100,000	0.50%	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%
34	Wakefield Tavern, LLC	3/18/2022	Subordinated	Yes	Yes	No	No	\$100,000	0.50%	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%
35	First National Title & Escrow, LLC	3/28/2022	Subordinated	Yes	No	No	No	\$1,000,000	5.00%	\$1,000,000	5.00%	\$0	0.00%	\$0	0.00%
36	Agape Homes of Rhode Island, LLC	3/28/2022	Subordinated	Yes	No	Yes	No	\$200,000	1.00%	\$200,000	1.00%	\$0	0.00%	\$200,000	1.00%
37	Twelve Catering, LLC	5/9/2022	Senior	Yes	Yes	No	No	\$200,000	1.00%	\$200,000	1.00%	\$200,000	1.00%	\$0	0.00%
38	Epic Decade, LLC dba The Pavilion	5/16/2022	Subordinated	Yes	Yes	No	No	\$400,000	2.00%	\$400,000	2.00%	\$400,000	2.00%	\$0	0.00%
39	Historic Park Theatre, LLC	5/23/2022	Subordinated	Yes	Yes	No	No	\$1,000,000	5.00%	\$1,000,000	5.00%	\$1,000,000	5.00%	\$0	0.00%
40	Yankee Foods II LLC	5/23/2022	Subordinated	Yes	Yes	No	No	\$500,000	2.50%	\$500,000	2.50%	\$500,000	2.50%	\$0	0.00%
41	Gather LLC	5/23/2022	Subordinated	Yes	Yes	No	No	\$425,000	2.13%	\$425,000	2.13%	\$425,000	2.13%	\$0	0.00%
42	Kale Stems, LLC	6/23/2022	Subordinated	Yes	Yes	No	No	\$800,000	4.00%	\$800,000	4.00%	\$800,000	4.00%	\$0	0.00%
43	L&B Associates, LLC	6/23/2022	Subordinated	Yes	Yes	No	No	\$450,000	2.25%	\$450,000	2.25%	\$450,000	2.25%	\$0	0.00%
44	Rainbow Chard, LLC	6/23/2022	Senior	Yes	Yes	No	No	\$950,000	4.75%	\$950,000	4.75%	\$950,000	4.75%	\$0	0.00%
45	Machupicchu Restaurant LLC	7/12/2022	Subordinated	Yes	Yes	Yes	No	\$300,000	1.50%	\$300,000	1.50%	\$300,000	1.50%	\$300,000	1.50%
46	Ritual LLC dba Ritual Café	7/22/2022	Senior	Yes	Yes	No	No	\$100,000	0.50%	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%
47	The Stackhouse LLC	8/26/2022	Subordinated	Yes	Yes	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
48	Abraham Home Care Provider, LLC	8/26/2022	Subordinated	Yes	No	Yes	No	\$50,000	0.25%	\$50,000	0.25%	\$0	0.00%	\$50,000	0.25%
49	Nelly Mazuelos dba Mazuelos Carpet	10/21/2022	Subordinated	Yes	No	Yes	No	\$325,000	1.63%	\$325,000	1.63%	\$0	0.00%	\$325,000	1.63%
50	Kassumay LLC	10/21/2022	Subordinated	Yes	No	Yes	No	\$15,000	0.08%	\$15,000	0.08%	\$0	0.00%	\$15,000	0.08%
51	Mighty Well LLC	11/4/2022	Subordinated	Yes	No	Yes	No	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%	\$100,000	0.50%
52	Mighty Well LLC	11/21/2022	Subordinated	Yes	No	Yes	No	\$150,000	0.75%	\$150,000	0.75%	\$0	0.00%	\$150,000	0.75%
53	Impact Tool Supply Corp.	12/7/2022	Subordinated	Yes	No	No	No	\$235,000	1.18%	\$235,000	1.18%	\$0	0.00%	\$0	0.00%
54	Chi Foods, LLC	12/29/2022	Subordinated	Yes	Yes	Yes	Yes	\$260,000	1.30%	\$260,000	1.30%	\$260,000	1.30%	\$260,000	1.30%
55	Taylor Health Enterprises, LLC	12/29/2022	Subordinated	Yes	No	Yes	Yes	\$50,000	0.25%	\$50,000	0.25%	\$0	0.00%	\$50,000	0.25%
56	JA Patty, LLC	12/29/2022	Subordinated	Yes	Yes	Yes	No	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%	\$10,000	0.05%
57	Plants to Food LLC	1/17/2023	Senior	No	No	No	No	\$2,500,000	12.50%	\$0	0.00%	\$0	0.00%	\$0	0.00%
58	Ei Rincon Dominicano, LLC	2/6/2023	Subordinated	Yes	Yes	Yes	No	\$50,000	0.25%	\$50,000	0.25%	\$50,000	0.25%	\$50,000	0.25%
59	Precise Restore, LLC	2/6/2023	Subordinated	Yes	No	Yes	Yes	\$100,000	0.50%	\$100,000	0.50%	\$0	0.00%	\$100,000	0.50%
60	Royal Health & Wellness, LLC	2/6/2023	Subordinated	Yes	No	Yes	No	\$250,000	1.25%	\$250,000	1.25%	\$0	0.00%	\$250,000	1.25%



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