

Rhode Island Economic Development Corporation

Enterprise Zone Council

Minutes of Meeting of February 27, 2007

RIEDC: Narragansett Room

315 Iron Horse Way, Suite 101

Providence, RI 02908

Attendance:

COUNCIL AFFILIATION

R. Caniglia Stand Corp.

D. Varin Vice Chairman

M. Wood Town of Burrillville

B. Parsons RIEDC

OTHER AFFILIATION

V. Barros RIEDC

S. Carrera RIEDC

P. Fournier RIEDC

K. Casey RIEDC

C. Cardozo-Tarullo RIEDC

J. Garrahy Legal Counsel

M. Canole RI Division of Taxation

D. Villanova RI Division of Taxation

W. Bauer West Warwick

B. Malavich West Warwick

P. Rocha Cranston
B. Clark Portsmouth Bus. Dev.
K. Cosentino City of Providence
A. Crisman Mt. Hope EZ
M. Godin Needs, Inc.
B. Vild RI Statewide Planning
K. Flynn RIEDC

Vice Chairman Varin called the meeting of the Enterprise Zone Council to order at approximately 10:05 AM and noted that there was a quorum present.

The first item of business before the Council was a overview of the state's economic development strategy by the director of the RIEDC, Mr. Saul Kaplan.

Mr. Barros made some brief opening remarks then asked all those in attendance to introduce themselves.

Mr. Kaplan started by welcoming everyone to the new office of the RIEDC. He stated the it was his hope that locating the state's economic development office to this historic mill complex would act as a catalysis for the economic development in this area.

He talked briefly about his background and how became the director

of the RIEDC.

He talked about what he thought it would take to reposition our economy and build sustainable job growth. The reposition is not making small tweaks around the edges or margin, we have to rethink our entire economy. It's all about creating better jobs and income growth not necessarily added more jobs. The real game is how to build a value economy that creates higher wage jobs, not just the at the top rung of the ladder but at every rung of the ladder.

He talked about a three-point strategy for reposition our economy: center on quality of place, business climate, and innovation and knowledge.

He stated that quality of place will always be considered when making economic development decision. The impact to the state's unique and valued quality of life will always be in the consideration equation.

He stated that issue of business climate boils down to one question: are we really a great place to do business? We need to do better with developable sites from land to office Class A office space. Having a skilled workforce is probably the most important factor in overall business climate. We need to improve our educational system to create a pipeline of motivated and skilled workforce to fuel the kind of economy that we are trying to create.

He stated that we need to improve access to sources of capital that allow good business ideas to flourish. The regulatory environment can be made easier to navigate and improvements to our tax structure need to continue. He views the state's business climate as a glass that is half full but that there is some serious work that need to be done. Each and every year we should be making measurable improvment. However, because of competition from other states, having a favorable business climate only, is not enough. You need a differentiating factor. Repositioning Rhode Island as an innovation and knowledge economy will provide a unique competitive advantage. Building on our knowledge assets and translating those into specific policies and programs.

He talked about examples of specific policies and program like STAC, the Science Technology Advisory Council that advises the Governor and the General Assembly on what it means to be an innovations economy, the Business Innovation Factor (BIF), where ideas are moved from the whiteboard to the real world and RI Wins, an initiative to create a statewide border-to-border wireless broadband network.

Mr. Varin asked for Mr. Kaplan's support of the Water Resources Board's proposal to develop water in the big river area to meet the need of the central part of the state, for which a financing proposal is before the Governor.

Mr. Varin also asked if Mr. Kaplan would have his staff check with the

board when a issue of water supply arises.

Mr. Kaplan stated his view on the importance of water issues as they related to economic development and agreed that the board should be a viewed as a partner in these efforts.

Mr. Wood expressed disappointment and frustration dealing the bureaucracy of some state regulatory agencies. Stating that the level of bureaucracy is a barrier to business and economic growth in both urban and rural areas of the state.

Mr. Kaplan agreed that the state needs to do a better job and informed the Council that conversations about how to improve the regulatory environment are on-going. We know we need to do a better job and we are having active conversations about improving things.

Mr. Kaplan concluded by stating that he appreciates the good work the Council does and that he looks forward to working more closely with the Council in the future.

The next order of business before the Council was approval of the meeting minutes for September 26, 2006 and January 23, 2007.

Mr. Parson made a motion to approve; seconded by Mr. Wood. Mr. Varin noted some minor corrections to the minutes which were forwarded to Mr. Barros.

There being no further discussion, the motion was unanimously approved.

The next order of business before the Council was 2006 Recommendation for Membership.

Mr. Barros stated that there was 1 (one) company on the report for 2006 membership and that the company should have been approved in 2006 but somehow was overlooked. He verified that the company, Sullivan and Company, submitted a timely application and was entitled to 2006 membership status.

Mr. Varin asked for a motion to approve the 2006 membership report. Mr. Parson made the motion; seconded by Mr. Caniglia. Mr. Varin asked for comments or questions.

There being no further discussion, the motion was unanimously approved.

The next order of business before the Council was 2007 Recommendations for Membership.

Mr. Barros asked for approval of all nine (9) businesses presented on the 2007 membership report.

Mr. Varin asked for a motion to approve the 2006 membership report. Mr. Parson made the motion; seconded by Mr. Caniglia. Mr. Varin asked for comments or questions.

Mr. Crisman questioned Custom Fiberglass's employment benchmark. Mr. Barros stated that he would double check for accuracy.

There being no further discussion, the motion was unanimously approved.

The next order of business before the Council was Recommendations for 2006 certification.

Mr. Varin directed everyone to a revised list that was distributed during the meeting.

Mr. Barros stated the revised report included ten (10) additional business. He reviewed the names of the ten companies added to the report and stated that staff recommended approval of all companies as presented.

Mr. Varin asked for a motion to approve the recommendations. Mr. Parson made the motion; seconded by Mr. Wood. Mr. Varin asked for comments or questions.

There being no further discussion, the motion was unanimously approved.

Mr. Vild pointed out that there was at least one manufacturer in each of the zones that created new jobs.

Mr. Barros and Mr. Crisman talked about a manufacturer that they recently visited, George Patton Associates, who has experienced significant growth over the past several years.

The next order of business before the Council was Recommendations for 2006 Carry Forward Authorization.

Mr. Barros stated that the one (1) business being considered had satisfied the requirements for carry-forward authorization and that staff recommended approval.

Mr. Varin asked for a motion to approve the recommendation. Mr. Parson made the motion; seconded by Mr. Wood. Mr. Varin asked for comments or questions.

There being no further discussion, the motion was unanimously approved.

The next order of business before the Council was a Request for Zone Expansion from the Town of West Warwick.

Mr. Barros gave a brief overview of the process for enterprise zone expansion.

Mr. Malavich, the West Warwick town planner, explained why the town sought to expand the zone and detailed the area affected by the expansion. He asked the Council for approval of the expansion request.

Mr. Bauer detailed some of the new business activity that he expected as a result of the zone expansion.

Mr. Wood asked about the impact on the town's recent zone re-designation and whether membership would be retroactively enforced.

Mr. Barros stated that the new area would be considered during the next re-designation period and that membership would not be retroactive. Businesses would be eligible going forward, if the expansion is approved by the Council.

A general discussion ensued about the impact of expanding of zones beyond the five (5) contiguous census tracts.

Mr. Parson made the motion; seconded by Mr. Wood. Mr. Varin asked for comments or questions.

There being no further discussion, the motion was unanimously approved.

The next order of business before the Council was Old Business.

Mr. Barros referred the Council to materials included in the agenda package: 2007 meeting schedule, enterprise zone council member & staff listing, listing of local points of contact, enterprise zone council appointment terms and enterprise zone designation and re-designation table.

A general discussion ensued that included some corrections to the listing of local contact personnel.

Mr. Wood asked about enterprise zone related legislation and offered to bring any thing of consequence or interest to the League of Cities and Towns for their support.

Mr. Barros stated that he would address the legislation issue at the next meeting and thanked Mr. Wood for his offer.

There being no other business to come before the Council, Mr. Varin asked for a motion to adjourn. Mr. Caniglia moved to adjourn. Mr. Wood seconded the motion. The motion was approved unanimously and the meeting was adjourned at 11:30 a.m.