

**Rhode Island Economic Development Corporation**

**Enterprise Zone Council**

**Minutes of Meeting of May 24, 2011**

**RIEDC: Providence Room**

**315 Iron Horse Way, Suite 101**

**Providence, RI 02908**

**In attendance:**

**COUNCIL AFFILIATION**

**D. Varin Vice Chairman**

**M. Wood RI League of Cities and Towns**

**D. Langley Urban League of RI**

**R. Caniglia The Stand Corporation**

**B. Parsons RIEDC**

**OTHER AFFILIATION**

**V. Barros RIEDC**

**J. Garrahy Moses & Afonso, LTD**

**K. Cosentino City of Providence**

**W. Clark Town of Portsmouth**

**F. Presley West Warwick**

**J. Alan Crisman Mt. Hope EZ**

**L. DiBoni Cranston**

**At 10:11 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted that there was a quorum present.**

**The first order of business before the Council was the Minutes from the March 22, 2011 meeting.**

**Mr. Varin asked for a motion to approve the minutes. Mr. Parsons made the motion, which was seconded by Mr. Wood. Mr. Varin asked if there was any further discussion of the motion. There being none all voted in favor, the motion was approved unanimously.**

**The next order of business before the Council was the Minutes from the April 26, 2011 meeting.**

**Mr. Varin asked if Mr. Clark's question about the certification figures for Whittet-Higgins was addressed. Mr. Barros stated that the company's employee benchmark was 32; the certification report stated that they hired an additional 32 new employees, which was a typographic error; the company only had 2 new hires. Mr. Barros stated the he corrected the certification report to reflect the actual number of new hires.**

**Mr. Varin asked for a motion to approve the minutes. Mr. Parsons stated the he was absent at the April 26th meeting and therefore would have to abstain. Mr. Langley made the motion, which was seconded by Mr. Wood. Mr. Varin asked if there was any further**

**discussion of the motion. There being none all voted in favor, the motion was approved unanimously**

**The next order of business before the Council was 2010 Recommendations for Certification.**

**Mr. Barros stated that there were thirteen (13) businesses being presented for 2010 year-end certification and that all of the businesses had satisfied the requirements for year-end certification; as a result, staff recommended approval of all thirteen (13) businesses bring the year-to-date total to fifty eight (58) businesses resulting in three hundred sixty three (363) new full-time jobs created in 2010.**

**Mr. Barros added that his request for certification be subject to the verification of the zone residency of those new hires. He stated that he did not have time to verify the zone residency status of the new hires prior to the meeting but would do so prior to issuing any certification approval documents to the approved companies.**

**Mr. Varin asked for a motion to approve the 2010 recommendations for certification subject to the verification of zone residency. Mr. Parsons made the motion which was seconded by Mr. Langley. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**Mr. Barros added that as Mr. Caniglia suggested at the last Council meeting, the certification report would reflect the percentage of zone resident new hires as well as the number of zone resident new hires.**

**The next order of business before the Council was 2010 Carry Forward Authorization**

**Mr. Barros stated that there were two (2) businesses being presented for 2010 carry forward authorization; both companies had satisfied all of the requirements for this authorization; as a result, staff recommended approval of both businesses.**

**Mr. Varin asked for a motion to approve the 2010 request of carry forward authorization. Mr. Langley made the motion which was seconded by Mr. Wood. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**Mr. DiBoni asked that the language regarding c-corps eligibility for carry forward credits from the April meeting minutes could be clarified to reflect that all companies are eligible for the 2010 carry forward but that for certification year 2011 only c-corps would qualify.**

**The next order of business before the Council was a Legislative**

## **Update**

**Mr. Barros gave an update on 2011 enterprise zone legislation including House Bills 5792, 5494, 5081 and Senate Bills 0566, 0962.**

**A general discussion ensued about the status, impact and likelihood of passage of these enterprise zone related bills.**

**Mr. Caniglia asked who if anyone testified on these bills at the committee level.**

**Mr. Clark said that he and others testified on H 5494 including representatives from New England Boatworks.**

**Ms. Godin said that she had people from American Cord and Webbing, the company that President Obama visited, testify on H 5494.**

**A general discussion ensued about how to measure the success of the EZ program. Are the new jobs the direct result of the EZ tax credit? How would you make the case that the jobs are the direct result of the EZ tax credit to the General Assembly?**

**The next order of business before the Council was Other Business**

**Mr. Varin asked if there was any other business to come before the**

**Council, there being none he asked for a motion to adjourn. Mr. Wood made the motion. The motion was seconded by Mr. Langley. All voted unanimously in favor of the motion to adjourn.**

**Rhode Island Economic Development Corporation**

**Enterprise Zone Council**

**Minutes of Meeting of July 26, 2011**

**RIEDC: Providence Room**

**315 Iron Horse Way, Suite 101**

**Providence, RI 02908**

**In attendance:**

**COUNCIL AFFILIATION**

**D. Varin Vice Chairman**

**M. Wood RI League of Cities and Towns**

**R. Caniglia The Stand Corporation**

**B. Parsons RIEDC**

**OTHER AFFILIATION**

**V. Barros RIEDC**

**J. Garrahy Moses & Afonso, LTD**

**K. Cosentino City of Providence**

**W. Clark Town of Portsmouth**

**F. Presley West Warwick**

**A. Crisman Mt. Hope EZ**

**L. DiBoni Cranston**

**At 10:05 Mr. Varin called the meeting the Rhode Island Enterprise Zone Council to order and noted that there was a quorum present.**

**The first item of business before the Council was 2011 Recommendations for Membership.**

**Mr. Barros stated that there were three (3) businesses being presented for 2011 membership, all three businesses submitted complete membership applications. All three applications were reviewed by the appropriate local point of contact and by EDC staff; as a result, staff recommended for approval of all three applications bring the year-to-date total to six (6) new EZ member businesses for 2011.**

**Mr. Varin asked how many new businesses joined the program at the half way point last year.**

**Mr. Barros stated that he didn't know the exact number but guessed around fifteen (15) to twenty (20). He added that the decrease in new member applications is the direct result of the change in the personal tax law and the subsequent ineligibility of pass-through entities of tax certifications.**

**Mr. Wood made a motion to approve the 2011 recommendations for membership. The motion was seconded by Mr. Parsons. Mr. Varin asked if there were any additional comments or questions. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**The next order of business before the Council was 2010 Recommendations for Certification.**

**Mr. Barros stated that there were thirteen (13) businesses being presented for 2010 year-end certification and that all of the business presented had satisfied the requirements for year-end certification; as a result, staff recommended approval of all thirteen (13) businesses bring the year-to-date total to seventy one (71) businesses resulting in five hundred and forty one (541) new full-time jobs created in 2010.**

**He added that the zone resident new hires are represented as a percentage of total new hires as well as by aggregate total.**

**Mr. Parsons asked about Capco Steel having to separate locations, one in Providence and one in East Providence.**

**Mr. Barros stated the both locations were qualified EZ locations: separate facilities with separate employment counts and two different membership applications. Both locations increased their employment by five percent (5%). He added that the wage tests measures the**

**growth of total RI wages paid for the entirety of the company but EZ employment growth is measured on an individual EZ facility basis.**

**Mr. Clark asked if Marra Meal Services was formerly Pinelli's Marra.**

**Mr. Varin asked why they were starting with a zero (0) employment benchmark.**

**Mr. Barros stated the according to his records, being the original application for membership, this company was a startup enterprise that had no prior EZ related affiliation, and therefore was eligible to claim a zero (0) employment benchmark.**

**Mr. Wood asked if some additional information on this company could be provided at the next Council meeting.**

**Mr. Barros agreed to gather and present any pertinent additional information.**

**Mr. Varin asked for a motion to approve the 2010 recommendations for certification subject to the verification of Marra Meal Services. Mr. Caniglia made the motion which was seconded by Mr. Parsons. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**Mr. Caniglia asked if we are working with Hope Global to keep them in the state.**

**Mr. Parsons stated emphatically that the EDC is working with the company along with other state agencies and the Army Corps of Engineers, at the same time the EDC is helping them look at the feasibility of other RI locations.**

**The next order of business before the Council was 2010 Carry Forward Authorization**

**Mr. Barros stated that there was one (1) business being presented for 2010 carry forward authorization and the business, Superior Comfort, Inc., had satisfied all of the requirements for this authorization; as a result, staff recommended approval of the business.**

**Mr. Varin asked for a motion to approve the 2010 request of carry forward authorization. Mr. Parsons made the motion which was seconded by Mr. Caniglia. Mr. Varin asked if there was any further discussion. There being no further discussion, all voted in favor and the motion was unanimously approved.**

**The next order of business before the Council was the Legislative Update**

**Mr. Barros gave a final update on 2011 enterprise zone legislation. He**

**noted that the only bill to be passed into law was Senate Bill S – 962 which paved the way for the establishment of an enterprise zone in town of Middletown.**

**A general discussion ensued about the relevant of 2000 census tract information when 2010 census tract information is forthcoming.**

**Mr. Garrahy stated the passing this bill shows that there is still interest in and recognition of the program despite the negative impact of the changes to the RI personal income tax laws.**

**Mr. Crisman suggested that the local points of contact convene a meeting or workshop to look at reinventing the program. He added that we had talked about doing it on several occasions but the time is appropriate to do something now. It is time to look at other things that make EZs effective in the face of the credit being greatly diminished.**

**Mr. Barros stated that he would work with Alan and other local points of contacts of convene a reinventing the EZ workshop.**

**Mr. Caniglia asked if any zones are up for re-designated.**

**Mr. Barros said that Port of Providence/Cranston, Woonsocket/Cumberland, Pawtucket/Lincoln, Central Falls/Cumberland zones are all set to expire on 12/31/11. He added**

**that he would have additional information ready at the next Council meeting.**

**Mr. Caniglia stressed the importance of asking the question of how the change to the tax rules has impacted the community's ability to recruit new businesses into the program.**

**Mr. Wood asked how we measure the negative impact of the changes in relation to job creation if the majority of business who created jobs in the past will no longer be required to report.**

**A general discussion ensued about how best to capture the job creation impact of the tax change that goes into effect during 2011 tax certification.**

**Mr. Varin asked if there was any other business to come before the Council, there being none he asked for a motion to adjourn. Mr. Wood made the motion. The motion was seconded by Mr. Parsons. Mr. Varin asked if there was any further business to come before the Council. There being none, all voted unanimously in favor of the motion.**