

**STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC FINANCE MANAGEMENT BOARD**

**MEETING OF BOARD MEMBERS  
September 16, 2004**

A meeting of the members of the Public Finance Management Board (the "Board") was held on Thursday, September 16, 2004 at 3:00 p.m. in Room 135, State House, Providence, Rhode Island pursuant to duly posted public notice of the meeting and notice duly given to all members.

Members Present: Paul J. Tavares, General Treasurer and Chair  
Senator David E. Bates  
Ms. Rosemary Booth Gallogly  
Mr. Lincoln Mossop

Members Absent: Senator Daniel DaPonte  
Representative Bruce J. Long  
Mayor A. Ralph Mollis

Also present were: Ms. Joan M. Caine, Deputy Treasurer for Finance, John Bello, Esq., Legal Counsel and other members of the Treasurer's Staff.

There being a quorum present, the Treasurer called the meeting to order at 3:10 p.m.

Public Finance Management Board Minutes. Sen. Bates moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Sen. Bates, Ms. Gallogly, Mr. Mossop and Treasurer Tavares.

**VOTED: To approve the Minutes of the June 17, 2004 Regular Meeting.**

Private Activity Bond Allocation Request

Soluol, Inc. ("Soluol"). Mr. Anthony Scolavino, Senior Financial Program Administrator of the Rhode Island Industrial Facilities Corporation ("RIIFC") represented Soluol in connection with this request. He noted that Soluol was founded in 1931 as a supplier of textile auxiliaries to textile companies throughout New England. As textile companies moved South, Soluol began to expand its product lines to polyurethanes. Soluol is now a leading manufacturer of polyurethane resins, coatings and adhesives.

Soluol, currently located in West Warwick, is owned by a group of stockholders, of which the largest is Soluol's President and CEO, Warren J. Simmons (22%). Soluol continues to grow generating approximately \$18 million in annual revenue. To continue its growth plans, Soluol needs a larger manufacturing facility. They have entered into a sales agreement to purchase 9.4 acres of land containing a 68,000 sq. ft. manufacturing facility located at 199 Amara Street, East Providence, RI. Soluol currently employs 47 RI residents and within a year will be hiring an additional 7 people for a total of 54.

The total project cost is \$12 million, \$5 million of which is a client equity contribution, leaving the request for \$7 million. The use of the proceeds are as follows: purchase of land and building \$2 million; rehab/construction \$4 million; machinery/equipment \$5,750,000; and costs of issuance and miscellaneous \$250,000 for a total of \$12 million. Citizens Bank has issued a commitment for a \$7 million direct pay letter of credit.

Mr. Mossop moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Sen. Bates, Ms. Gallogly, Mr. Mossop and Treasurer Tavares.

**VOTED: TO APPROVE AN ALLOCATION OF VOLUME CAP IN THE AMOUNT OF UP TO \$7,000,000 TO THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION FOR SOLUOL, INC. TO PURCHASE REAL ESTATE LOCATED AT 199 AMARAL STREET, EAST PROVIDENCE, RI, TO REHABILITATE SAID REAL ESTATE, AND TO PURCHASE MACHINERY AND EQUIPMENT.**

Ms. Caine noted that the total cap allocation for 2004 is \$233,795,000, and that so far this year \$32.6 million has been allocated. She expects that the remaining \$200 million will be equally split between the Rhode Island Student Loan Authority and the Rhode Island Housing and Mortgage Finance Corporation at the December 16, 2004 meeting. Mr. Scolavino stated that he expects the previous three cap allocations approved in 2004 to close prior to year-end. He also noted that he does not expect to be bringing any new requests to the December meeting.

Senator Bates noted that with the referendum and proposed legislation regarding separation of powers, he did not expect to continue to serve on the board. Treasurer Tavares reported that he had submitted suggestions regarding the composition of the boards on which he serves to the respective Senate and House Committees reviewing the separation of powers issues.

Sen. Bates moved, Ms. Gallogly seconded and the following motion was passed unanimously. The following members voted in favor: Sen. Bates, Ms. Gallogly, Mr. Mossop and Treasurer Tavares.

**VOTED: To adjourn the meeting.**

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted,

Paul J. Tavares  
General Treasurer

## EXHIBIT A

### 2004 Allocation Resolution No. 4

WHEREAS, the Public Finance Management Board (the "Board") has been created pursuant to the provisions of Chapter 10.1 of Title 42 of the General Laws of the State of Rhode Island, enacted as Chapter 477 of the Public Laws of 1986, effective June 25, 1986; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), places volume cap restrictions on the issuance of certain tax exempt private activity bonds issued by State and local issuing authorities within the State of Rhode Island; and

WHEREAS, the provisions of Section 146 of the Code provide that states may allocate the volume cap restrictions among state and local issuing authorities; and

WHEREAS, the Board, under Section 42-10.1-3 of the General Laws of the State of Rhode Island, is authorized to allocate tax-exempt bond issuance capacity among all issuers in the State of Rhode Island.

NOW THEREFORE, under the authority granted by law, the Board hereby makes the following findings and allocations:

1. Based upon the provisions of the Code, the Board finds that the private activity bond volume cap for the State of Rhode Island for the 2004 calendar year is Two Hundred Thirty-three Million Seven Hundred Ninety-five Thousand Dollars (\$233,795,000).

2. Subject to the conditions set forth below, the Board makes the following allocations of the 2004 volume cap of the State:

A. To the Rhode Island Industrial Facilities Corporation for \$7,000,000 for Soluol, Inc.

3. The allocations are made subject to the following conditions:

A. Any amount issued under allocation may only be issued for purposes authorized under the laws of the State of Rhode Island and the United States for which a volume cap allocation is required under the provisions of the Code;

B. Any condition imposed by the Board to the allocations set forth above shall be met and evidence provided to the Board;

C. That any amount of volume cap allocated under the Resolution and not used on or before December 16, 2004, shall revert to and be reserved by the Board for reallocation;

4. The Board reserves for future allocation all unallocated 2004 volume cap outstanding after giving effect to Resolution No. 4.

5. The Board reserves for reallocation any amount allocated under this Resolution to any issuing authority, which may revert to the Board under the provisions of Paragraph 3 hereof.

6. This Resolution shall take effect upon its adoption by the Board on September 16, 2004.

Date: September 16, 2004