

Small Business Advocacy Council Meeting

Friday, November 18, 2005

8:30 AM

RI Economic Development Corporation

Meeting Minutes

I. Lieutenant Governor Charles J. Fogarty, Chairman, called the meeting to order at 8:40 a.m. In attendance were:

II. In Attendance were:

Lieutenant Governor Charles J. Fogarty, Chair

Jerry Meyer, East Greenwich Chamber of Commerce

Mark Deion, Deion and Associates

Philip Papoojian, Mereco

Sherri Carrera, RI EDC

Ed Greene, Sage Business Consultants

Lauren Slocum, Central RI Chamber of Commerce

Caroline Fairhurst, Wheels of Freedom

Phil Papoojian, MEREKO

Claudia Cardona, Secretary of State First Stop Business Center

John Gregory, Northern RI Chamber of Commerce

Victor Barros, Jr., RI EDC

Bob Lafond, North Central RI Chamber

Jim Hurton, Narragansett Chamber of Commerce

Curtis Spence, Claymar Enterprise

Earl Queenan, RI EDC

**Betsy Dennigan, RI House of Representatives, Joint Committee on
Economic Development**

Katharine Flynn, RI EDC

Moe Paradis

Ernest Cabral, Cabco

Josh Miller, Trinity Brew House

Karriem Kanston, MIDC

Justin Aina, Urban Ventures

Mark Hayward, US SBA

III. Approval of September 16, 2005 Meeting Minutes

The Chairman called for the approval of the previous meeting minutes. Lauren Slocumb asked that the minutes be amended to read that the state was hoping to be the first state where all the chambers have signed on for the Employers Support of the Guard and Reserve (ESGR). A motion was made and seconded for the approval of the amended minutes.

IV. Comments from the Chair

Chairman Fogarty welcomed members to the meeting and wished them all a Happy Thanksgiving. He thanked Representative Dennigan for coming to the meeting and said the Council looks forward to working with the Joint Committee on Economic Development during the legislative session. Chairman Fogarty said that he would like to have members testify at one of the meetings. Chairman Fogarty said that the Latino Business Expo and the Southern Rhode Island Business Expo were a great success. Chairman Fogarty thanked Adriana Dawson for her leadership with the Latino Business Expo and Darlene Evans for her leadership with the Southern Rhode Island Business Expo. Chairman Fogarty thanked Jerry Meyer, Lauren Slocum and Darlene Evans for their assistance in putting together businesses visits in East Greenwich, Warwick and South Kingstown. Chairman Fogarty said that these visits allowed businesses to talk about issues on their own turf and was an opportunity to promote the Southern RI Business Expo. Chairman Fogarty said that the next meeting is scheduled for December 16 and that he would like to have a briefing by URI Economist Len Lardaro on the Rhode Island Economic Landscape for 2006.

V. SBAC Member Updates

Phil Papoosian said that the SBANE legislative affairs committee was finalizing their platform on healthcare and taxation and hope to have it completed soon. Mark Deion discussed federal legislation (S 1955)

that deals with existing state mandates for health care and maintains these mandates in 45 states. He said that this legislation goes a long way in resolving many of the problems and concerns that occurred with previous legislation. He also informed the Council of a program taking place in the State of PA which addresses the revision of services offered in hospitals and health care clinics which drastically increases the quality of healthcare while decreasing the cost related to treatment. He said that information was sent to Jeff Guimond in the Office of Lieutenant Governor and if members would like a copy, to ask Jeff to provide it to them. John Gregory said that the Chamber Coalition continues to grow their representation. He said the Coalition is looking forward to the upcoming legislative session. John said that he was concerned with the lack of movement of the state in helping small businesses hurt by the recent floods access disaster funding. He said it was a slow process and many businesses were turning to the chamber for assistance. Josh Miller said that the Downtown Merchants Association is implementing a parking validation program in Downtown Providence aimed at alleviating the parking burden DOWNCITY. Ed Greene expressed his frustration with Human Resource Investment Council Grants. He said that many small business have not been able to access these funds even though they pay a fee to this program. Ernest Cabral introduced himself as the newest member and Chairman Fogarty welcomed him to the Council. He said that he was concerned with making sure that there is a healthy manufacturing base in Rhode Island so that small companies that provide services to the bigger manufacturers can

flourish. Curtis Spence said that he is involved with this year's MLK celebration and offered members an opportunity to support the event. Lauren Slocum also voiced concern with the rate at which assistance to small businesses affected by recent flooding was taking place. Bob Lafond supported John Gregory's remarks about the strength of the coalition of chambers and said that he looks forward to the North Central RI Chambers involvement in that group. Sherry Carerra reported on the Every Company Counts update (attachment 1) and the new reg flex analysis (attachment 2). Victor Barros briefed the Council on the micro business loan fund and asked members to inform their constituencies about the program (attachment 3). Justin Aina briefed the Council on some of the new companies working with Urban Ventures and asked that one of the companies give a presentation at one of the SBAC meetings after the first of the year. Kelly Carello said that she is taking over as the new Director of the Secretary of State's First Stop Business Center and looks forward to working with the SBAC in the future. Claudia Cardona said that the Corporations and Elections Division of the Secretary of State's Office is moving (attachment 4).

VI. Joint Committee on Economic Development: Issues and Goals for 2006

The Honorable Elizabeth Dennigan, RI House of Representatives,

Co-Chair

Representative Dennigan introduced herself to the Council and told them that she has been a representative for the past 9 years and she has served on House Finance for 4 years. She said her time on House Finance provided her with the background necessary to head up this joint committee. She said that this is a unique opportunity for members of both chambers to come together and work to ensure that items dealing with economic development get the appropriate attention they deserve. She said that it is a priority of the Committee to look at the structure of tax policy in the state and how it affects business growth. The Committee is interested to see how the new Office of Tax Policy Analysis is going to be implemented because having pertinent data is a key piece to implementing change to the tax system. Currently there is no mechanism to determine the effectiveness of tax policy, which is of concern. She said that last week the Committee was briefed on how the personal income tax relates to economic growth. They are looking to hear from small businesses to see how the state can better address their needs. She said that EDC has been a partner with the Committee and has been most helpful. The Committee will be a venue where many types of issues that face small business can be discussed ranging from healthcare to energy issues. She said she looks forward to working with the SBAC in the future. Mark Deion brought up the issue that the Small Business Administration Fee Tax Credit had been cut two years ago and that is a good incentive for businesses to take part in SBA

loans. He said that he has data that shows that SBA loans have gone down since the tax credit has been removed and that this might be an issue the Committee can look at.

VII. RI Micro Business Loan Fund

Earl Queenan, RI EDC

Earl Queenan said that the micro-business loan fund is an opportunity for EDC to help small businesses. He said that there has been a good response to the program citing 30 inquiries within the past few weeks (attachment 3). He said that the EDC has been working with the small businesses affected by the recent flooding in the State. The EDC approved the first loan for \$100,000 dollars yesterday (attachment 5). He said that the EDC has been out to businesses in the areas affected and has been seeking feedback on how the State can help. Mark Hayward said that the SBA has also been working with local businesses affected by the flooding to help to provide federal loans. He said that interested business should contact the SBA office in Providence or visit the website at www.sba.gov/ri. Jim Hurton asked Earl Queenan if the EDC disaster loan program covered charter-fishing operations. Mr. Queenan asked Mr. Hurton to have those business people affected contact him.

IX. Consumer Products Sector in Rhode Island: It's not what you think

Katharine Flynn, RI EDC

Katharine Flynn briefed the Council on the consumer products sector in Rhode Island. She referenced the fact that Rhode Island has a long history of consumer product manufacturing, dating back to the early 1900s with the textile industry and jewelry industry. Rhode Island is the manufacturing headquarters to many large global consumer product companies, including CVS, Hasbro, AT Cross and Tiffany, as well as hundreds of other small innovative companies. Ms. Flynn explained that the state's size offers various advantages to consumer product companies. For instance, many companies use Rhode Island's unique size to test a new product in a small controlled fashion within a concentrated population area. Also referenced was Rhode Island's accessibility to the major metropolitan areas on the eastern seaboard, which contain a large retail store base. Ms. Flynn said the State should continue to leverage it's history of design is due in large part to being the home of the Rhode Island School of Design to continue economic development partnerships. Ms. Flynn referenced the Center for Design and Business, a joint venture between RISD and Bryant University, which holds an annual conference on business success through design and innovation (www.centerfordesignbusiness.org). For more information on this

sector in Rhode Island please visit www.riedc.com.

Chairman Fogarty requested a motion for adjournment, which was made and seconded. The meeting adjourned at 10:04 AM.