PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP, INC.
WEDNESDAY, SEPTEMBER 21, 2011
DRAFT MEETING MINUTES

A regular meeting of the Providence Economic Development Partnership, Inc. (PEDP) Board of Directors was held at the office of the Department of Planning and Development, 444 Westminster Street, Providence, Rhode Island, on September 21, 2011. The meeting was called to order at 12:20 PM.

MEMBERS IN ATTENDANCE

Members in attendance included Gonzalo Cuervo, representative for Mayor Angel Taveras, Joseph Caffey, John Baldwin, Daniel Baudouin, Kas DeCarvalho, Mark Feinstein (alternate), Alberto Guzman, Dr. Jason Harry, and Jack Templin.

STAFF MEMBERS IN ATTENDANCE

Staff members in attendance included: Thomas Deller, Director, Department of Planning and Development and Executive Director, PEDP; Ann Gooding, Director of Communications, Department of Planning and Development; Kathy Cosentino, Arthur Speaks and Gail McGowan.

OTHERS IN ATTENDANCE

Others in attendance included Joshua Teverow, Esq., PEDP Legal Counsel; Mark Van Noppen and Barry Preston, The Armory Revival Company for Rising Sun Mills; Allan Tear, Betaspring, Natalie Lopes, Director of Pathways to Opportunity, Department of Planning and Development; David Ortiz, City of Providence; and Jim Hummel.

In Mayor Taveras' absence, Joseph Caffey will chair today's meeting.

Mr. Caffey stated that today's meeting would commence with the introduction of the Director of Economic Development. Mr. Caffey introduced James Bennett who then addressed the Board of Directors.

Mr. Bennett thanked Mr. Caffey. Mr. Bennett has met with a lot of people since getting this job and has actually spent a lot of time in Providence since July with his work with the convention center, which is symbiotic with what we are doing here. The gateway to New England is Providence. Mr. Bennett is excited to get this job. The board will be putting $2.5 million in liquidity on the streets today to good businesses that are creating jobs and are committed to Providence. In spending so much time in the city, Mr. Bennett has noticed the beautiful buildings that are here and that downtown is loaded with young, vibrant people. When he was at Brown, the students never came downtown. The city is blessed with one of the most impressive mayors, people at all levels, businesses, politics, and athletics. One of the reasons that he took this job was the opportunity to work with Mayor Angel Taveras.

Mr. Bennett noted that he met with a main bank in Providence this morning and it was stated that the cheapest place to access capital in New England is Providence. We have to get the liquidity out, which is all about creating jobs. This is why it is always important to have a quorum in order to not miss a meeting. Time is money for entrepreneurs and they cannot wait if we cannot achieve a quorum. Mr. Bennett added that he appreciates the members taking the time out of their schedules to come to the meetings. Before taking questions, Mr. Bennett added that tonight at 6:00 p.m. the Providence Geeks are putting on a performance at AS220 and invited all the members to attend.

A discussion followed regarding the loan function of the board being a critical function but one more performed by the Loan Committee which consists of people that are well versed and knowledgeable of that function, and the more valuable function of this board being the larger strategic picture for

economic development and for the city and how Mr. Bennett will use the expertise on this board to accomplish this. Mr. Bennett stated that he is looking to promote one message with the state, chamber and the city, using the state's assets whenever possible. He has been in the community meeting with businesses looking for feedback and Mr. Bennett is also open to any suggestions.

Mr. Bennett thanked the board. The board welcomed him and asked that he consider the very talented people on the board as a resource to him.

MEETING MINUTES

Thomas Deller indicated that upon review of the meeting packages, there is something missing in the minutes and requested that the minutes of the May 18, 2011 PEDP Board of Directors meeting be continued in order to get the corrected printed version distributed to the members. Upon a motion made by Dr. Jason Harry and seconded by Gonzalo Cuervo, it was voted to continue the minutes of the May 18, 2011 Board of Directors meetings. Motion passed by unanimous vote.

REPORT OF THE CHAIRMAN

In Mayor Taveras' absence, there was no report this month. Mr. Deller requested that we proceed to the Report of the Executive Director at this time.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Deller began with the report on the IIP. Mayor Taveras and Jim Bennett have given a commitment to the graduates of Betaspring receiving a $50,000.00 investment into their business. We are working with HUD on this funding and on making it retroactive. We are moving forward quickly on this program. The mayor has appointed a five (5) member committee. Ten (10) applications have been received, which we will report further on next meeting. We will also go back to HUD to increase the funding amount for this program. Alan Tear of Betaspring was present and briefly addressed the board with regard to the program. Mr. Deller then answered questions with regard to the IIP process and requirements. Mr. Deller indicated that the intent is that the completion of the program will be the basis for the PEDP investment approval. A brief discussion followed with regard to the terms of the program and future funding and investment in the program. Mr. Deller stated that he will try to make the Betaspring funding permanent as well as try to find others to invest with us. A discussion followed with regard to whether the investment in Betaspring graduates should be guaranteed and whether requiring the companies to remain in Providence for one (1) year is long enough. Mr. Cuervo added that Betaspring has a vetting process that is in place, which is the premise behind the mayor's support of the guaranteed investment. Some of the board members expressed concern with regard to making an investment in a company that is later located out of the city.

Mr. Deller proceeded to discuss the Latino Roundtable. Mr. Deller gave a brief overview of the study conducted by the Federal Reserve Bank of Boston with regard to Latino Entrepreneurship. Mr. Cuervo added that it was through the bank's study of Springfield, Massachusetts, that they discovered that Latino entrepreneurship in Providence far exceeds that of Springfield and neighboring communities. Ann Gooding added that the bank came to Providence to study what might explain the high number of Latino entrepreneurs in Providence. The bank met with businesses in the city over a six (6) month period and presented their findings at the roundtable meeting. Ms. Gooding indicated that she will share their findings with the board and will also distribute the notes from the meeting.

Mr. Deller discussed with the board the meeting time for the board meetings. Mr. Deller had previously discussed this matter with the mayor, who had agreed to keep the existing meeting time and

schedule and appointed Mr. Cuervo as his representative for those time when he has scheduling conflicts. Mr. Deller asked the members to think about whether the current time is one that they can regularly attend in order to achieve a quorum at each meeting or whether the meeting time should be changed. Gail McGowan will be contacting the members via e-mail or telephone in order to poll for the best meeting time for the members.

Mr. Deller then proceeded to discuss the Green Pathways Grant, indicating that he has a handout for the board, which and will get to the members. The grant is an eighteen (18) month grant and expires on January 28th. Mr. Deller stated that he does not want to lose this process and has talked to the mayor to see if we can streamline the program and fund it through PEDP for another eighteen (18) months. Natalie Lopes, Director of Pathways to Opportunity, was present and addressed the board. The deconstruction piece of the program would be the scaled down program. Training is being done relative to deconstructing homes and a process has been put in place to salvage and re-use or sell the materials. The program is concluding its fourth (4th) cycle and there is one (1) left to complete. They have turned away 1,500 applicants, so there is real interest in the program. Mr. Deller concluded that he will have a detailed work plan out to the board members for review and comment.

Mr. Deller requested that the agenda items be taken out of order and that the request of Rising Sun Mills be considered first as the principals are present to address the board.

NEW BUSINESS

The first agenda item under New Business entertained by the Board of Directors was the loan request of Rising Sun Mills, Dassualt Systemes Simulia Corp., 181 Valley Street, Providence, Rhode Island, in the amount of $620,000.00. Mark Van Noppen and Barry Preston were present to address the board. Mr. Deller stated that attorney Joshua Teverow has been working on the negotiations for this loan. Prior to the discussion of this loan, Mr. Teverow stated that any general discussion of the project and loan request can take place in open session and that any financial discussion would take place in executive session, if applicable. Therefore, any questions that the members may have with regard to the financial portion of the proposal should be held until the board enters into executive session.

Mr. Preston then presented an overview of the Rising Sun Mills project as well as of the current project. Mr. Preston distributed a handout of maps illustrating the project. Mr. Preston also gave a brief overview of the company, Dassualt Systemes, its expansions and its products. Mr. Van Noppen expanded on the company and distributed a handout relative to jobs created from Dassualt Systemes and the Rising Sun project. The proposed project is for the acquisition of a property across the street from the mill to be developed as a paved and landscaped lot thereby creating 106 parking spaces. Financing will be provided by PEDP in the amount of $620,000.00 and by the RI Small Business Loan Fund Corporation (RISBLF) in the amount of $250,000.00. In addition, the developer will be investing $283,000.00.

Questions were raised with regard to the collateral and terms of the proposed loan, as well as the applicant's ability to service the debt should the tenant not renew its lease when it expires. Mr. Deller indicated that this in on the mayor's agenda and now that Mr. Bennett is on board, they will be working on retaining this business in the city, but wanted to get this project done first. Questions were then asked of Mr. Preston and Mr. Van Noppen with regard to the project.

Upon a motion made by Daniel Baudouin and seconded by Gonzalo Cuervo, it was voted to approve the loan request of Rising Sun Mills, as presented, subject to owner equity, in the amount of

$283,000.00, being invested into the project. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the review and approval of the proposed amended by-laws. Mr. Teverow presented this request. A discussion followed with regard to the write-off section of the proposed amended by-laws. Mr. Teverow explained that under the amended by-laws, write-offs would require approval of the executive director, treasurer, and legal counsel. Write-offs would require all three (3) consents or would then require a vote by the board of directors. Several members expressed concern and opposition to this change and indicated that these approvals should all come before the board. Upon a motion made by Kas DeCarvalho and seconded by Daniel Baudouin, it was voted to approve all loan write-offs being presented to the board of directors for approval. Motion passed by unanimous vote. Upon a second motion made by Kas DeCarvalho and seconded by Daniel Baudouin, it was voted to approved the proposed amended by-laws, except for the change in the write-off section. Motion passed by unanimous vote. Mr. Deller added that the ethics disclosure forms included in the meeting packages have to now be filed by the Loan Committee and Board of Directors.

At 2:00 P.M., Daniel Baudouin left the meeting.

The next agenda item entertained by the Board of Directors was the approval of a change in the Registered Agent for the corporation (PEDP) from Kathy Cosentino to Joshua Teverow, Esq. Upon a motion made by Kas DeCarvalho and seconded by Gonzalo Cuervo, it was voted to approve the above outlined change in the registered agent for PEDP. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the loan to Los Andes, 903 Chalkstone Avenue, Providence, Rhode Island, in the amount of $300,000.00. Mr. Deller presented this request. Mr. Deller indicated that this approval will in fact be a ratification due to the timeframe in which this loan had to close, Mr. Deller spoke with Mayor Taveras and was given the authorization to approve going ahead with the closing of this loan. Upon a motion made by Alberto Guzman and seconded by Gonzalo Cuervo, it was voted to ratify the approval of the loan to Los Andes, in the amount of $300,000.00. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the approval of the loan request of Archetype Fete, 103 Dike Street, Providence, Rhode Island, in the amount of $364,655.00. Mr. Deller presented this request. Mr. Deller provided a brief overview of the project and its principals. Mr. Deller answered questions with regard to neighborhood support of this project and whether this request was presented to the Loan Committee, to which Mr. Deller indicated that it had and it was recommended for approval. Upon a motion made by Alberto Guzman and seconded by Gonzalo Cuervo, and it was voted to approve the loan request of Archetype Fete, as submitted. Kas DeCarvalho abstained from voting in connection with this loan request. Motion passed by vote.

Mr. Deller then answered questions from the directors with regard to PEDP's portfolio balances and with regard to the preparation of a PEDP budget and regular financial reporting to the board. Mr. Deller responded that we are still undergoing our first full audit in ten (10) years in addition to simultaneously working with a new outside accountant, which has taken longer in providing the financial reports to the board. Mr. Deller indicated that he is striving to get the rest of the work completed in the next few weeks and will get as much information to the board for the next meeting.

The next agenda item entertained by the Board of Directors was the approval of the loan request of

Paragon Mills/Olneyville Housing Corporation, 39 Manton Avenue, Providence, Rhode Island, in the amount of $931,000.00. Mr. Deller presented this request. Mr. Deller provided a brief overview of the project, loan term and collateral pledged. Mr. Deller then answered questions of the board regarding this project being a real estate deal and whether this loan was presented to the Loan Committee, to which Mr. Deller responded that it was and was recommended for approval. Upon a motion made by Mark Feinstein and seconded by Kas DeCarvalho, it was voted to approve the loan request of Paragon Mills/Olneyville Housing, as submitted. John Baldwin abstained from voting in connection with this loan request. Motion passed by vote.

The next agenda item entertained by the Board of Directors was the presentation of the Loan Committee Action Report from its August meeting. Mr. Deller and Mr. Teverow presented this request and briefly indicated which items in the report were in addition to the loan requests already presented at today's meeting. Upon a motion made by Gonzalo Cuervo and seconded by Alberto Guzman, it was voted to accept the Loan Committee Action Report from its August meeting. Motion passed by unanimous vote.

Prior to adjourning, Mr. Teverow indicated that a draft letter to the PEDP Borrowers regarding the recent public records decision was distributed to the members at today's meeting. Mr. Caffey requested that Mr. Teverow read the letter to the members. The question that remains is whether the board wants the letter to go out to the current loans outstanding or to all Borrowers. It was indicated by the board to send the letter to all Borrowers, as far back as records allow. Mr. Teverow stated that no vote was required in connection with this matter, but was just circulated for review and input from the board.

OTHER BUSINESS/PUBLIC COMMENT

Upon a motion made by Alberto Guzman and seconded by Gonzalo Cuervo, the meeting was adjourned at 2:30 PM.