

PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP, INC.
THURSDAY, OCTOBER 13, 2011
DRAFT MEETING MINUTES

A regular meeting of the Providence Economic Development Partnership, Inc. (PEDP) Loan Committee was held at the office of the Department of Planning and Development, 444 Westminster Street, Providence, Rhode Island, in the 3rd Floor Conference Room on August 3, 2011. The Loan Committee meeting was called to order at 12:10 P.M.

MEMBERS IN ATTENDANCE

Members of the Loan Committee in attendance included Manny Barros, Renee Bailey, Frank Benell, Adriana Dawson and Peter Scotti.

STAFF MEMBERS IN ATTENDANCE

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

OTHERS IN ATTENDANCE

There were no others in attendance.

MEETING MINUTES

The minutes of the August 3, 2011 PEDP Loan Committee meeting were submitted for review and approval. Upon a motion was made by Frank Benell and seconded by Renee Bailey, it was voted to approve the minutes of the August 3, 2011 meeting. Motion passed by unanimous vote.

REPORT OF EXECUTIVE DIRECTOR

Thomas Deller began by discussing the Section 108 loan restrictions. We will be submitting the project underwriting for each loan to HUD for approval first. The criteria for loan approvals will be distributed to the members. James Bennett, the new Director of Economic Development may be arriving to meet the committee members. Mr. Bennett will now serve as member of the PEDP Board of Directors.

James Bennett and Adriana Dawson arrived at 12:15 P.M.

Mr. Bennett addressed the loan committee. Introductions of the members were first given. Mr. Bennett discussed concern with meeting quorums and timely processing of applications and responsiveness to applicants and PEDP having to get our money out on the streets. Mr. Bennett commended the committee for doing a great job and noted that he is accessible to the committee and looks forward to working with them. A brief discussion followed with regard to providing the committee with direction relative to which sectors the city wants to fund in order to stimulate the economy.

NEW BUSINESS

The first agenda item entertained by the Loan Committee was the loan request of Dr. Dennis Karambelas & Associates, 236 Hope Street/264 Bowen Street, Providence, Rhode Island, in the amount of \$83,000.00. Mr. Deller presented this request. A brief review of the project, use of funds, other funding and appraisal were provided. A discussion followed and concern was expressed with regard to the financial viability of the project. At 12:45 P.M., due to the discussion of financial information, a motion to enter into executive session was made by Peter Scotti and seconded by Frank Benell and it was voted to enter into executive session in accordance with the R.I.G.L. 42-46-5. Motion passed unanimously by roll call vote. Open meeting resumed at 12:54 P.M. A second motion was made by Peter Scotti and seconded by Frank Benell, and it was voted to seal the minutes. Motion passed by unanimous vote. Upon a motion made by Peter Scotti and

seconded by Frank Benell, it was voted to continue this matter subject to PEDP staff meeting with the applicant and reporting back at the next meeting. Staff is to verify the HUD regulations, refer the applicant to obtain technical assistance, and to explore other means of financing the balance of the project. Motion passed by unanimous vote.

At 12:57 P.M. James Bennett and Adriana Dawson left the meeting.

The next agenda item entertained by the Loan Committee was the report of loans approved by the PEDP Board of Directors. Mr. Deller presented this request. A loan, in the amount of \$620,000.00, was approved in connection with the Rising Sun Mills project (RSM Employer Parking, LLC) and its tenant, Dassault Systemes Simulia Corp., 181 Valley Street, Providence Rhode Island. Mr. Deller briefly reviewed the project, its funding and related collateral. This agenda item was informational only and no vote was required.

The next agenda item entertained by the Loan Committee was the review of approved loans. Mr. Deller presented this agenda item. Two (2) loans have been approved and a brief overview of each project and funding was provided by Mr. Deller. The loans were granted to IP.21, Seth Goldenberg, 460 Harris Avenue, Providence, Rhode Island, in the amount of \$40,000.00; and Maximino Ramos, 4 Cathedral Square, Providence, Rhode Island, in the amount of \$29,000.00.

OLD BUSINESS

The next agenda item entertained by the Loan Committee was the two (2) requests of Broad Street Revitalization (BSR), 693 Broad Street, Providence, Rhode Island, for the ratification of staff approval of a revised collateral structure to secure the PEDP loan and for the approval of a request for a payment moratorium. The first request, submitted through its attorney, Robert B. Berkelhammer, was for PEDP to accept a lien/first-position leasehold mortgage on the real estate in place of the PEDP having a mortgage on a newly created commercial condominium unit, as originally approved. Mr. Deller presented this request. This matter was previously tabled at the August meeting for additional information relative to this request, which was subsequently submitted by the Borrower's legal counsel. The committee expressed the need for additional clarification to be provided as to the legal impact of such a change in PEDP's collateral structure. Upon a motion made by Peter Scotti and seconded by Frank Benell, it was voted to continue both requests of Broad Street Revitalization for PEDP legal counsel Joshua Teverow to attend next month's meeting to provide further clarification regarding this matter and for staff to obtain the report on the determination of the market rent from the Borrower. Motion passed by unanimous vote.

The next agenda item entertained by the Loan Committee was the ratification of the staff approval of the request of Re-Focus, Inc., 45 Greeley Street, Providence, Rhode Island, for PEDP to subordinate its collateral position to additional financing from Citizens Bank in the amount of \$300,000.00. PEDP subordinated its mortgage on 45 Greeley Street as well as its UCC-filings with the land records relative to the Borrower's Greeley and Westminster Street properties. PEDP remains in its original mortgage position, now junior to a lesser amount of senior financing. After a brief review of PEDP's current collateral position, a motion was made by Peter Scotti and seconded by Frank Benell and it was voted to ratify the staff approval of the request of Re-Focus, Inc. Motion passed by unanimous vote.

OTHER BUSINESS

There being no other meeting business, upon a motion made by Peter Scotti and seconded by Frank Benell and Renee Bailey, the meeting was adjourned at 1:30 P.M.