

# ***PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP, INC.***

***WEDNESDAY, MARCH 21, 2012***

## ***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 Westminister Street, 1<sup>st</sup> Floor, Providence, Rhode Island, on March 21, 2012. The meeting was called to order at 12:09 PM, with Mayor Taveras presiding.

### MEMBERS IN ATTENDANCE

Members in attendance included Mayor Angel Taveras, Gonzalo Cuervo, representative for Mayor Angel Taveras, Joseph Caffey, Juana Horton, William DiStefano, Jr., Mark Feinstein, Alberto Guzman, Councilwoman Sabina Matos, and Paul Mithun.

### MEMBERS ABSENT

Members not in attendance were Daniel Baudouin, Kas DeCarvalho, Gary Glassman, Stephen Lane and Janet Raymond.

### STAFF MEMBERS IN ATTENDANCE

Staff members in attendance included: James Bennett, Director of Economic Development and Executive Director, PEDP; Thomas Deller, Assistant Director, PEDP and Director, Department of Planning and Development (DPD); Ann Gooding, Director of Communications, DPD; Stuart MacDonald, Director of Fiscal Operations, DPD; Kathy Cosentino, and Ashley Periera.

### OTHERS IN ATTENDANCE

Others in attendance included Joshua Teverow, Esq., PEDP Legal Counsel; and Jim Hummel.

### MEETING MINUTES

The minutes of the November 16, 2011 PEDP Board of Directors meeting were submitted for review and approval. Upon a motion made by Joseph Caffey and seconded by Mark Feinstein, it was voted to approve the minutes of the November 16, 2011 Board of Directors meeting. Motion passed by unanimous vote.

### REPORT OF THE CHAIRMAN

Mayor Taveras began by thanking the directors for their on-going commitment to the city, especially in these difficult times and welcomed the new members of the board, who are William DiStefano, Jr. Councilwoman Sabina Matos, and Paul Mithun. In addition, Mark Feinstein, who was previously an alternate, is now a member of the board. Mayor Taveras has three topics to discuss at today's meeting, which are: where we are with the tax exempts; the Biltmore Hotel; and articles in this past Sunday's Providence Journal regarding economic development. Mayor Taveras discussed the agreement that was reached with Johnson and Wales University, the status of the discussions with Brown University, and stated that he is also talking to all of the hospitals as well as continuing to have discussions with Providence College and Rhode Island School of Design. Mayor Taveras proceeded to discuss the sale of the Biltmore Hotel and the tax stabilization that has been entered into with the potential buyer. James Bennett provided additional background relative to the buyer. Mayor Taveras thanked Jim for all of his help regarding this transaction. Mayor Taveras discussed highlights from the series of articles that were in Sunday's Providence Journal, "Reinvent Rhode Island", copies of which will be sent via e-mail to the directors. Mayor Taveras stated that we are an exceptional city and that we have to promote that more.

Mayor Taveras concluded by saying that he would need to depart today's meeting early, however before he leaves, he would like to speak briefly regarding agenda item 6.d., which is the subordination request of New City Conrad. Thomas Deller will present this request later in the meeting, however an issue with regard to this matter was just brought to his attention which is that Council President Michael Solomon is a partner in this business. As such, we will be asking the city solicitor for an

opinion regarding this matter. Therefore, Mayor Taveras expressed that action should not be taken today on this matter due to this issue and in order to be transparent, because it is important that people know that things are done appropriately and no preferential treatment is given. Mayor Taveras again expressed that action should not be taken today since we will also need an Ethics Commission opinion as well as a HUD opinion. Mr. Deller added that in addition, enough information has not been received to vote. A brief discussion followed regarding promoting our community.

At 12:30 P.M. Mayor Taveras stated that he had to leave and apologized for having to do so. The meeting would now move to the Report of the Executive Director and then the Vice-Chairman will conduct the balance of the meeting.

#### REPORT OF THE EXECUTIVE DIRECTOR

Mr. Bennett began by stating that every effort will be made to keep the meetings to ninety (90) minutes or shorter, unless there are any objections. Mr. Bennett proceeded to discuss the Port of Providence and the improvements that are about to be implemented. Mr. Bennett gave a brief update as to the status of the Innovation Investment Program (IIP). Mr. Bennett also gave a brief overview of the current projects underway and of future events that are coming into the city. Mr. Bennett stated that Mr. Deller would be presenting the balance of the matters listed under the Report of the Executive Director.

Mr. Deller began by providing a status report regarding the IIP. Mr. Deller gave an overview of the program and of the amount of funding that has been provided through the program. Mr. Deller then provided a status report relative to the IPIC. Mr. Deller then reviewed the 108 approval and funding process through HUD. The marketing materials were distributed in today's meeting packages. Mr. Bennett and Ann Gooding are conducting the business visits. The Port was previously discussed by Mr. Bennett. Mr. Deller then reviewed the standards for loan terms. The term sheet received in today's meeting package outlines the draft terms that were approved by the PEDP Loan Committee, however Mayor Taveras has since requested some changes to those terms, which were briefly outlined. Mr. Deller then presented a review of PEDP financial conditions. Mr. Deller began by introducing Stuart MacDonald, the new Director of Fiscal Operations for the Department of Planning and Development. Financial statements and projections were distributed at the meeting. Mr. Deller indicated that a budget will need to be approved at May's meeting. Mr. Deller asked that the directors review the handouts and send any questions they may have to him or Ms. Gooding and they will forward those questions to Mr. MacDonald. Mr. Deller answered questions that were raised relative to the reports that were distributed and then proceeded to discuss the RFP's that were issued for legal and underwriting services. Mr. Deller stated that the loan fees had already been previously discussed, which concluded his report.

#### NEW BUSINESS

The first agenda item under New Business entertained by the Board of Directors was the Memorandum of Understanding (MOU) between the City of Providence and JWU/SBDC. Mr. Deller and Ms. Gooding briefly discussed this agenda item. Upon a motion made by Mark Feinstein and seconded by Gonzalo Cuervo, it was voted to grant authority for the above MOU to executed by the Department of Planning and Development. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the Memorandum of Understanding (MOU) between the City of Providence and SBA. Mr. Deller requested that Ms. Gooding present this agreement. Upon a motion made by Councilwoman Sabina Matos and seconded by Gonzalo Cuervo, it was voted to grant authority for the Department of Planning and Development to enter into the above MOU. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the loan request of Mark Federico, Ralph Durante and William DeMatteo, Narragansett Creamery (Providence Specialty Products, Inc.), 33 Dearborn Street, Providence, Rhode Island, in the amount of \$250,000.00. Mr. Deller presented this request. Additional documentation relative to this request was distributed at the meeting. Mr. Deller reviewed the PEDP and RI SBLF loan terms. Staff recommended approval. Mr. Bennett added a brief overview of the company and its products. Upon a motion made by Alberto Guzman and seconded by Juana Horton, it was voted to approve the loan request of Narragansett Creamery, in the amount of \$250,000.00, as presented. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the presentation of the Loan Committee Action Reports from its January, February and March 2012 meetings. Mr. Deller presented each report. Upon a motion made by Mark Feinstein and seconded by Juana Horton, it was voted to approve the actions of the Loan Committee from its January 12, 2012, February 9, 2012, and March 15, 2012 meetings. Motion passed by unanimous vote.

The next agenda item entertained by the Loan Committee was two (2) requests in connection with the loan to A New Leaf, as follows: 1) for the approval to waive the conflict of PEDP legal counsel; and 2) for the approval of the proposed loan assumption by The Providence Center. Thomas Deller and Joshua Teverow presented the requests. Upon a motion made by Councilwoman Sabina Matos and seconded by William DiStefano, it was voted to approve both requests as presented. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the request of staff for the ratification of the approval of a proposed loan settlement in connection with the loan to the Hi-Hat. Joshua Teverow presented this request. Mr. Teverow provided a brief overview of the collection activity on this loan to date as well as the terms of the loan settlement. Upon a motion made by Mark Feinstein and seconded by William DiStefano, it was voted to ratify the approval of the proposed loan settlement. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the partial loan assumption of the Ecotope Environmental Services, Ltd. f/k/a Cleanscape, Inc. loan by Tobey Waste and Recycling (Fusion Steel, LLC). Mr. Deller requested that Mr. Teverow present this agenda item. Mr. Teverow provided an overview of the loans to Cleanscape and to South Providence Development Corporation (SPDC) and their current status. Mr. Teverow noted that this matter is for information purposes only as the loan assumption has already been approved by the court. Mr. Teverow then provided a brief background relative to Tobey Waste and Recycling. This agenda item is for reporting purposes only. Upon a motion made by Mark Feinstein and seconded by Juana Horton and Paul Mithun, it was voted to accept the partial loan assumption by Tobey Waste and Recycling. Joseph Caffey abstained from voting on this agenda item. Motion passed by vote.

The next agenda item entertained by the Board of Directors was the request of New City Conrad, LLC f/k/a The Conrad for PEDP approval to subordinate its collateral interest in one of the commercial units of the subject property. Mr. Deller presented this request, noting that the mayor requested that this request be tabled at this time. Mr. Deller provided an overview of the original project, the loan and the request for subordination. Mr. Deller noted that HUD requires us to have an ethics opinion. As such, an opinion has been requested from the city solicitor, which will be presented to the board for acceptance. If accepted, the opinion will then be submitted to HUD for an opinion from HUD. Mayor Taveras has also indicated that an opinion is also to be obtained from the state ethics commission. In addition, Mr. Deller indicated that he cannot make a recommendation without being in receipt of the appraisal, which is still in the process of being completed and should be received in the next few days.

Upon a motion made by Gonzalo Cuervo and seconded by Juana Horton, it was voted to table the request of New City Conrad, LLC until receipt of the above outlined opinions and for further information to be submitted to PEDP. Motion passed by unanimous vote.

Prior to the end of the meeting, copies of the Providence Journal articles were distributed to the board.

OTHER BUSINESS/PUBLIC COMMENT

Mr. Bennett stated that a proper practices policy regarding write-offs will be prepared and submitted at the next meeting. Upon a motion made by Alberto Guzman and seconded by Councilwoman Sabina Matos, it was voted to authorize the Executive Director and the Fiscal Director to prepare a collection and write-off policy. Mr. Deller noted that he will try to have the policy prepared for presentation at the May meeting, however it will be subject to being able to meet with HUD to review the policy prior to then. Motion passed by unanimous vote.

Upon a motion made by Mark Feinstein and seconded by Gonzalo Cuervo and Councilwoman Sabina Matos, the meeting was adjourned at 1:47 PM.