

PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP, INC.
WEDNESDAY, MAY 16, 2012
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, 1st Floor, Providence, Rhode Island, on May 16, 2012. The meeting was called to order at 12:11 PM, with Joseph Caffey, Vice-Chairman, presiding.

MEMBERS IN ATTENDANCE

Members in attendance included Joseph Caffey, Kas DeCarvalho, Daniel Baudouin, William DiStefano, Jr., Gerald Massa, Councilwoman Sabina Matos, Paul Mithun, Janet Raymond and Clay Rockefeller.

MEMBERS ABSENT

Members not in attendance were Mayor Angel Taveras, Gonzalo Cuervo, representative for Mayor Angel Taveras, Juana Horton, Mark Feinstein, Gary Glassman, Alberto Guzman and Stephen Lane.

STAFF MEMBERS IN ATTENDANCE

Staff members in attendance included: James Bennett, Director of Economic Development and Executive Director, PEDP; Stuart MacDonald, Director of Fiscal Operations, Department of Planning and Development (DPD); Kathy Cosentino, Gail McGowan, Arthur Speaks and Amber Ilcisko.

OTHERS IN ATTENDANCE

Others in attendance included John J. Garrahy, Esq. and Mark Ryan, Esq. of Moses and Afonso, PEDP legal counsel; and Joshua Teverow, Esq., PEDP legal counsel.

MEETING MINUTES

The minutes of the March 21, 2012 PEDP Board of Directors meeting were submitted for review and approval. Upon a motion made by Kas DeCarvalho and seconded by Councilwoman Sabina Matos, it was voted to approve the minutes of the March 21, 2012 Board of Directors meeting. Motion passed by unanimous vote.

REPORT OF THE CHAIRMAN

There was no report of the Chairman due to Mayor Taveras not being able to attend this month's meeting.

REPORT OF THE EXECUTIVE DIRECTOR

Mr. Bennett began by welcoming the new board members, thanking them as well. Mr. Bennett also thanked Joshua Teverow for his years of service to the board. Mr. Bennett then introduced Stuart MacDonald, Director of Fiscal Operations for the Department of Planning of Development (DPD), and gave a brief overview of his professional background. Mr. MacDonald will also be handling the day-to-day operations of the loan program.

PEDP has been striking up a good relationship with the Rhode Island Economic Development Corporation (RIEDC). The IIP has now provided funding to 16 start-up companies that have gone through Betaspring. Mr. Bennett noted that this program is the first of its kind in the country. Mr. MacDonald is in the process of negotiating with HUD to allocate more funding for the program. Mr. MacDonald provided an overview of the IIP eligibility requirements as well as the new Section 108 funding.

Mr. Bennett asked that the vote to appoint Mr. MacDonald as the new Assistant Director for PEDP be taken at this time. Upon a motion made by Daniel Baudouin and seconded by Janet Raymond, it was voted to appoint Stuart MacDonald, Director of Fiscal Operations, DPD, as the new Assistant Director of PEDP. Motion passed by unanimous vote.

A discussion followed with regard the board being largely underutilized relative to developing economic development strategy, as expressed by a member of the board. During the discussion, it was suggested that perhaps a retreat could be scheduled to build strategy. Upon a motion made by Daniel Baudouin and seconded by Councilwoman Sabina Matos, it was voted to schedule a board retreat, to be coordinated with the mayor's schedule. Legal counsel suggested that a facilitator be utilized to conduct the retreat. Motion passed by unanimous vote.

Mr. MacDonald proceeded to present the remaining agenda items under the Report of the Executive Director. Mr. MacDonald began by discussing meetings that Mr. Bennett and he have had with RIEDC. There have been discussions regarding RIEDC taking over the PEDP loan funds with PEDP remaining responsible for those funds, which was not accepted. PEDP will be entering into a partnership with RIEDC for the underwriting of a portion (\$2 million) of our new loan funds; however the loans will remain PEDP loans. PEDP will be parceling out the loan prospecting. The loan files have been revamped, which HUD has approved. Current business is a prospective loan in the amount of \$950,000.00, which was not a good fit with our program. Mr. Bennett briefly reviewed the loan to the Narragansett Creamery, which recently closed its loan. A brief discussion followed with regard to loan prospecting. Staff has been meeting with area banks so that all are aware of the PEDP programs and what we do. Mr. MacDonald concluded by discussing the loan underwriting. A contract underwriter has been hired who was formerly with Citizens Bank, Thomas Hoagland. Mr. Hoagland will also bring in loan business for PEDP.

NEW BUSINESS

The first agenda item under New Business entertained by the Board of Directors was the presentation of loans for write-off. Mr. MacDonald presented this agenda item. The last portfolio-wide write-off was in 2008. There has been pressure from HUD to do regular write-offs and to create a write-off policy. PEDP will still continue attempts to collect on the loans that will be written-off, when possible. A suggestion was made that a sub-committee of the board be formed to meet with staff to review the loans ready for write-off and then bring this agenda item back to the board for approval. The committee to work with Mr. MacDonald relative to the loans for write-off was formed and will consist of the following board members: Joseph Caffey, Daniel Baudouin and Gerald Massa. The sub-committee meeting will also be attended by Joshua Teverow, PEDP legal counsel for loan collections.

The next agenda item entertained by the Board of Directors was the presentation of the Loan Committee Action Reports from its April and May 2012 meetings. Kathy Cosentino presented this agenda item. A brief overview of each request and action was provided. Upon a motion made by Daniel Baudouin and seconded by Janet Raymond, it was voted to accept the Loan Committee Action Report from the April 12, 2012 meeting. Requests at this meeting were considered from: Delta Auto Body (Delta Enterprise, Inc.); Pisaturo Real Estate, LLC (Irving) (2 requests); Salon Bianco; and Armory Revival Company. Kas DeCarvalho recused from voting in connection with the request of Salon Bianco. Motion passed by vote. Upon a motion made by Janet Raymond and seconded by Kas DeCarvalho, it was voted to accept the Loan Committee actions from its May 10, 2012 meeting in connection with the following requests: Delta Auto Body (Delta Enterprise, Inc.); Dr. Dennis Karambelas & Associates, Inc.; EpiVax, Inc.; and AV Studio LLC. Motion passed by vote. Upon a motion made by Janet Raymond and seconded by Gerald Massa, it was voted to accept the Loan Committee actions from its May 10, 2012, in connection with the following requests: Van Leesten Group, LLC and Olneyville Housing Corporation. Joseph Caffey and Kas DeCarvalho recused from voting in connection with the request of The Van Leesten Group. Joseph Caffey, Councilwoman Sabina Matos and Clay Rockefeller recused from voting in connection with the request of Olneyville Housing Corporation. Motion passed by vote.

The next agenda item entertained by the Board of Directors was the request for ratification of staff approval of continued interest-only payments for a period of two (2) years by the original Bannister House, which will be assuming the PEDP loan after emerging from Receivership. Thereafter, principal and interest payments will be based on a 30-year amortization with a 10-year balloon. Mr. MacDonald presented this agenda item. Upon a motion made by Kas DeCarvalho and seconded by Daniel Baudouin, it was voted to ratify staff approval of continued interest-only payments for a period of two (2) years upon the exit from Receivership in connection with the loan to Bannister House. Motion passed by unanimous vote.

The next agenda item entertained by the Board of Directors was the re-presentation of the request for subordination in connection with the loan to New City Conrad, LLC f/k/a The Conrad. Kathy Cosentino indicated that this request has since been withdrawn. No action was required in connection with this agenda item.

OTHER BUSINESS/PUBLIC COMMENT

Mr. Bennett and Mr. MacDonald answered questions of the members with regard to a budget for PEDP for the next fiscal year and the fire approval process. Mr. Bennett updated the members on projects currently in the works or underway in the city. Mr. Caffey requested that a certificate of appreciation for Thomas Deller be prepared for the mayor's signature and sent on behalf of the PEDP Board of Directors.

Mr. Bennett questioned if the noon meeting time is acceptable for the members. It was agreed that the noon meeting time is convenient for the members, however there was a request to move the day that the meetings take place due to a member having a conflict with another meeting that takes place at the same time. The members will be polled for a new meeting date to see if any other conflicts may exist relative to moving the meeting date.

Upon a motion made by Daniel Baudouin and seconded by Janet Raymond, the meeting was adjourned at 1:32 PM.

Approved: June 19, 2012