

**PROVIDENCE ECONOMIC DEVELOPMENT PARTNERSHIP, INC.**  
**THURSDAY, JUNE 14, 2012**  
**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 3<sup>rd</sup> Floor Conference Room on June 14, 2012. The Loan Committee meeting was called to order at 12:08 P.M, with Manny Barrows, Acting Chairman presiding. Roll call was conducted.

**MEMBERS IN ATTENDANCE**

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

**MEMBERS ABSENT**

Members not in attendance were Adriana Dawson.

**STAFF MEMBERS IN ATTENDANCE**

Staff members in attendance included: Stuart MacDonald, Director of Fiscal Operations, Department of Planning and Development and Assistant Director, PEDP; Kathy Cosentino; Gail McGowan; and Arthur Speaks.

**OTHERS IN ATTENDANCE**

Others in attendance were Thomas Hoagland, PEDP contract underwriter.

**MEETING MINUTES**

The minutes of the May 10, 2012 PEDP Loan Committee meeting were submitted for review and approval. Upon a motion made by Frank Benell and seconded by Renee Bailey, it was voted to approve the minutes of the May 10, 2012 meeting. Motion passed by unanimous vote.

**REPORT OF THE ASSISTANT DIRECTOR**

Stuart MacDonald began by discussing the uncertainty that now exists for the partnership with the Rhode Island Economic Development Corporation (RIEDC) that PEDP was about to enter into the last time we met. PEDP and RIEDC are still meeting with customers together and participating in loans together. Mr. MacDonald stated that PEDP had a three-day visit from HUD consultants last week who did a technical needs assessment. The consultants will be preparing a report that will be sent to HUD, who will then be sending in a team to implement the recommended changes. Mr. MacDonald indicated that HUD is paying for the consultants and the assessment. The report should be final in a few more weeks. Upon a motion made by Manny Barrows and seconded by Frank Benell, it was voted to accept the report of the Assistant Director.

**NEW BUSINESS**

The first agenda item of New Business entertained by the Loan Committee was the review of loans for approval. The loan being presented for approval today is the loan request of 50 Weybosset Holdings, LLC, Carlo Carlozzi, 50 Weybosset Street, Providence, Rhode Island, in the amount of \$100,000.00, for the acquisition of the assets of the business. Mr. MacDonald presented this request. A discussion followed with regard to the collateral being pledged as security for this loan and the lease term for the commercial space. Thomas Hoagland indicated that PEDP will be receiving an appraisal of the assets of the business and if there is a gap in the collateral coverage upon receipt of the appraisal, PEDP will be taking additional collateral to cover the loan amount. At 12:25 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 12:32 P.M. Upon a motion made by Peter Scotti and seconded by Frank Benell, it was voted to approve the loan request of 40 Weybosset Holdings, LLC, in the

amount of \$100,000.00, conditioned upon collateral coverage in the amount of 125% of the PEDP loan based upon sufficient marketable securities and the liquidation value of the furniture, fixtures and equipment. Manny Barrows recused from voting in connection with the loan request. Motion passed by vote.

Manny Barrows added that the committee needs more information in connection with the loan requests in order to evaluate the ability of the business to repay the loan. Today's loan request was more of a collateral deal. PEDP wants to get paid back, not collect collateral on its loans. The committee wants to have faith the business will succeed and can pay the loan back.

#### OLD BUSINESS

The next agenda item entertained by the Loan Committee was the ratification of staff approval of a substitution of collateral in connection with the loan to White Electric Coffee, Inc., Thomas and Heather Toupin, 711 Westminster Street, Providence, Rhode Island, due to the principals having sold their personal residence and are purchasing a new one. Kathy Cosentino presented this request. A brief description of the business and PEDP loan was provided. As a result of time being of the essence for the real estate closing, this request was reviewed and approved by the PEDP Loan Committee Acting Chairman, PEDP Assistant Director and PEDP legal counsel, to be ratified by the Loan Committee at its next meeting. The Borrower has had an excellent payment history throughout its loan term to date and is half-way through its loan term. As such, the principal balance of this loan has been significantly repaid. The PEDP loan remains secured by the commercial real estate, in addition to the principals' personal residence. In addition, a security interest in all the business assets remains pledged as well as the personal guarantees of the principals. It was noted that the monthly debt obligations will be increasing for the Borrower due to the move, however due to the Borrower's excellent payment history and credit history, PEDP was not concerned with the Borrower increasing its debt obligations. Upon a motion made by Peter Scotti and seconded by Renee Bailey and Frank Benell, it was voted to ratify staff's approval of a substitution of collateral in connection with the loan to White Electric Coffee. Motion passed by unanimous vote.

#### OTHER BUSINESS

There being no other business, a motion was made by Frank Benell and Peter Scotti and seconded by Renee Bailey, and the meeting was adjourned at 12:38 P.M.

Approved: July 19, 2012