

I-195 REDEVELOPMENT DISTRICT

MEETING OF COMMISSION

PUBLIC SESSION

FEBRUARY 13, 2012

The I-195 Redevelopment District (the "District") Commission met on Monday, February 13, 2012, in Public Session, beginning at 5:00 p.m., at the offices of the Rhode Island Economic Development Corporation, located at 315 Iron Horse Way, Suite 101, Providence, Rhode Island, pursuant to notice of the meeting to all Commissioners, and public notice of the meeting, a copy of which is attached hereto, as required by applicable Rhode Island law.

The following Commissioners were present and participated throughout the meeting as indicated: Chairperson Colin Kane, Dr. Barrett Bready, Ms. Barbara Hunger, Ms. Diana Johnson, Mr. John Kelly, Mr. Mark Ryan, Mr. Michael Van Leesten, and Mr. Thom Deller, designee of Mr. James Bennett (ex officio).

Commissioners absent: Mr. James Bennett and Mr. Keith Stokes.

Also present were: Ms. Alexandra Pezzello and Mr. Mike Walker.

1. **CALL TO ORDER AND OPENING REMARKS**

Chairperson Kane called the meeting to order at 5:00 p.m. He stated that the Commission was not yet in a position to discuss a draft operations budget for the District. Upon motion duly made by Mr. Kelly and seconded by Dr. Bready, the following vote was adopted:

VOTED: To defer consideration of the draft operations budget for the District to a future Commission meeting.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. Van Leesten.

Voting against the foregoing were: None.

2. **APPROVAL OF THE PUBLIC SESSION MINUTES OF THE MEETING HELD ON JANUARY 25, 2012 AND JANUARY 30, 2012, AND THE EXECUTIVE SESSION MINUTES FROM THE MEETING HELD ON JANUARY 25, 2012**

Mr. Kelly provided comments to the January 25, 2012 public session minutes.

Upon motion duly made by Ms. Johnson and seconded by Mr. Kelly, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meeting held on January 25, 2012 and January 30, 2012, and the Executive Session Minutes of the meeting held on January 25, 2012, as amended by Mr. Kelly's comments.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. Van Leesten.

Voting against the foregoing were: None.

3. **BRIEFING REGARDING THE CITY OF PROVIDENCE'S ZONING AND COMPREHENSIVE PLAN AMENDMENT STATUS.**

Mr. Deller reported that the public hearing on the City of Providence's zoning and comprehensive plan has been scheduled for March 6, 2012 at 5:30 p.m. in the City Council chambers. He stated that recommended changes must be raised at the public hearing in order to be considered. Chairperson Kane reported that Fuss & O'Neill has been engaged to provide zoning related expertise and that he, Ms. Hunger and representatives from Fuss & O'Neill have attended prior hearings relating to the zoning and comprehensive plan. He stated that they have already raised the District's concerns regarding the proposed plan to Mr. Bob Azar. Chairperson Kane explained that the District's concerns include the designation of all the streets within the District as "A" streets, which are more pedestrian friendly, but create limitations on the type of development on the parcels. Ms. Hunger noted that loading docks are an example of uses that are not permitted along "A" Streets and Mr. Deller confirmed that parking and loading are most often impacted on such streets. Chairperson Kane stated that the District hopes to instead have a balance of "A" and "B" streets within the District. He stated that the District would likely provide testimony based on such technical issues.

4. **FOR CONSIDERATION OF THE ONGOING RHODE ISLAND DEPARTMENT OF TRANSPORTATION AND ENGINEERING COORDINATION ACTIVITIES.**

Chairperson Kane reported that the District and Fuss & O'Neill are meeting bi-weekly with the Rhode Island Department of Transportation ("RIDOT"). John Chambers, from Fuss & O'Neill, distributed an agenda to the Commissioners providing a status update on its work in the following five areas: environmental, infrastructure, stormwater, parking and transportation, and zoning (see **Exhibit A** attached hereto). With respect to environmental, Mr. Chambers reported that undertaking a Phase I ESA pre-acquisition due diligence is one of its initial steps. He explained that the Phase I assessments are not only good practice, but are also required for EPA funding opportunities for brownfields remediation. Mr. Chambers stated that they have also been determining the historic uses of each of the parcels, which will be useful in budgeting for environmental remediation based on the different types of contaminants

(see **Exhibit B**). He stated that they have received approximately fifteen soil sample results from RIDOT, which have been typical for urban fill and have put the properties in the Department of Environmental Management system. Mr. Chambers stated that, although the contamination levels from the limited RIDOT sampling were not extraordinarily alarming, the contamination levels would likely have an impact on the interim uses of the parcels, which could not be used as parks or for public uses until remediated. Chairperson Kane stated that this is one of the reasons for the District's continued "pause" on the issue of park/open space within the District until the environmental remediation needs are determined. He further stated that the parcels could be capped, but until then the parcels are considered brownfields. The Commissioners discussed whether environmental remediation will be conducted on a parcel by parcel basis by developers as the parcels are purchased, or whether there will be a global environmental remediation of the District's parcels. Mr. Chambers stated that, most often, the developers conduct the remediation. Chairperson Kane added that the District would seek to facilitate a global permitting approach and predictability in the process, as well as cost estimates for remediation of each parcel.

Mr. Chambers reported that, with respect to infrastructure, RIDOT is at 90% of the design for the roadway infrastructure and the District intends to provide input regarding the design prior to RIDOT commencing work. He stated that they are examining the design capacity and its ability to support development going forward. Chairperson Kane added that this includes examining stormwater and sewage capacity limitations and what would be necessary to increase the buildable area. He stated that they are scheduling meetings with RIDOT, Maguire Group, Fuss & O'Neill, Providence Water Supply Board and the Narragansett Bay Commission to discuss these issues. Dr. Bready noted the importance of access to water in research and development uses. Mr. Chambers reported that they are undertaking similar analysis with respect to stormwater to ensure that the capacity meets the development needs. With respect to parking and transportation, Mr. Chambers stated that they are examining which parcels, based on their size and dimensions, could accommodate parking garages (See **Exhibit C**). Chairperson Kane stated that Fuss & O'Neill's parking analysis will be illustrative of the fact that parking should factor in to the appraised value of the land, as well as the need for a global parking solution. Commissioners discussed potential developers' consideration of parking and it was noted that a global parking solution would be between 5,000-6,000 spaces.

Mr. Chambers reported that the City of Providence's zoning and comprehensive plan is well written and that they are providing comments with respect to the "A" street designations, as previously discussed, and park designations under the zoning, which could provide more options with respect to stormwater and other open space considerations. Chairperson Kane discussed the electrical vault located on one of the District parcels, which is not currently planned for relocation or burial by RIDOT or National Grid. He stated that they are requesting that RIDOT and National Grid reevaluate the relocation or burying of the vault as a part of the RIDOT project. Mr. Kelly noted that failure to relocate or bury the electrical vault is unacceptable and Mr. Deller noted that the utilities were supposed to be buried as a part of the RIDOT project.

Mr. Kelly stressed the need to ensure that such utilities are buried or relocated as planned in order to have the District's parcels be as developable as possible. Chairperson Kane stated that Fuss & O'Neill are examining development options based on either burial or relocation. With respect to telecommunication services, Chairperson Kane noted that Verizon has not committed to installing lines as a part of RIDOT's road construction, but Cox Communications has. He additionally reported that the landscape architects and park designers will begin to meet with Fuss & O'Neill, as well.

Chairperson Kane distributed an e-mail to the Commissioners from Deputy Director Kydd of RIDOT regarding the need for both Dollar and Transit Streets for utilities and traffic corridors (see **Exhibit D**). The Commissioners discussed the circulation of traffic and utility needs in that area and the resulting size of parcel 3, at less than one-half of an acre. The Commissioners agree to consider this issue further at the next Commission meeting and to obtain information from their traffic engineer. Mr. Ryan noted the need to keep the Commission's charge regarding development in mind when considering such issues.

5. FOR CONSIDERATION OF THE MECHANICS OF THE BOND ISSUANCE.

Maureen Gurghigian, managing director of First Southwest, financial advisor to the Rhode Island Economic Development Corporation ("RIEDC"), explained that the issuance of the bonds by RIEDC on behalf of the District will be similar to the Historic Tax Credit Bonds. RIEDC will issue the bonds and the proceeds of the sale of the bonds will be remitted to the District. The bonds will be secured by an annual appropriation from the State. Ms. Gurghigian explained that the appraisal of the land needs to be completed before they can move forward with the issuance of the bonds; once the appraisal is completed, a more detailed financing schedule can be prepared. She stated that both the RIEDC Board and the District Commission will need to approve the issuance of the bonds. Ms. Gurghigian stated that rating agencies will be looking at the legal structure of the District and the State's rating qualities when assigning a rating to the bonds. She reported that RIEDC has a prequalified list of underwriting firms and banks to look to for a letter of credit. Chairperson Kane stated that the appraisal should be ready for the District's review in approximately two weeks. He stated that the intent is to create an indenture for the bonds that provides net funding for the District, allowing it to be less dependent on legislative appropriations. Chairperson Kane stated that there will be further briefing on the bond structure when those details are known, including whether the bonds would be issued at fixed or variable rates.

Upon motion duly made by Dr. Bready and seconded by Ms. Hunger, the following vote was adopted:

VOTED: To consider item 9, follow up from external market conditions workshop, and item 10, consideration of the visions/mission statement of the District, ahead of the other items on the agenda.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. Van Leesten.

Voting against the foregoing were: None.

6. FOR FOLLOW UP DISCUSSION FROM EXTERNAL MARKET CONDITIONS WORKSHOP.

Mr. Kelly and Chairperson Kane each noted that they had expected the medical institutions to have more extensive plans and vision for the area, while also noting that most institutions are not sufficiently capitalized to undertake extensive building. The Commissioners noted Johnson & Wales University's encouraging plans for the area. Mr. Van Leesten stated that the District may need to think beyond the traditional market of institutions in Rhode Island to institutions currently in Boston or elsewhere regionally that could also locate within the District. Dr. Bready drew a distinction between hospitals and biomedical research and stated that the District must take an active role in creating an ecosystem. Commissioners discussed whether institutions, such as Brown University, had expressed a desire to expand its research capabilities. Chairperson Kane noted the need to examine best practices in areas such as integration of community, parking and development, and disposition process, as addressed by Kathryn Madden in her presentation. He further noted the feedback from the real estate professionals that there is very little speculative development, which means that development will likely be driven by either large companies or institutional demand.

7. FOR CONSIDERATION OF THE VISION/MISSION STATEMENT OF THE DISTRICT.

Ms. Hunger noted that, upon further reflection, the mission statement/vision of the District could use some editing in order to remain as inclusive as possible. Ms. Hunger and Mr. Van Leesten each shared proposed revisions to the statement. Mr. Van Leesten noted the need to create attachment to the community where the development is occurring. The Commissioners agreed to discuss the vision/mission statement further at the next meeting after Ms. Johnson and Dr. Bready had the opportunity to make revisions to the current statement.

Chairperson Kane noted that at the next meeting, scheduled for March 12, they have scheduled a "card trick", which is a master scheduling exercise for 2012 and 2013, with the support of Fuss & O'Neill, the City and legal counsel. He stated that further consideration of Dollar and Transit Streets would occur at the March 19 Commission meeting.

8. FOR CONSIDERATION OF THE EXECUTIVE DIRECTOR JOB DESCRIPTION AND SEARCH.

Ms. Johnson stated that the draft job description for the Executive Director of the District is derived from the Executive Director job descriptions for RIEDC and Quonset

Development Corporation. Chairperson Kane stated that the draft is an excellent start and he noted that the operating budget will be a key component. He stated that an attribute to consider adding is that the individual possess project management experience. Mr. Van Leesten agreed with the basic management and operational attributes contained in the description and he suggested consideration of the Executive Director as the face of the marketing effort from the District and that the individual should have an understanding of the regional, national and international market in order to sell the District effectively. Chairperson Kane noted the difficulty in finding both the salesperson and the project management attributes in the same person. The Commissioners discussed that certain aspects, whether it be marketing or project management, could be resourced and would not necessarily have to be attributes or job requirements of the Executive Director. Mr. Kelly suggested that the Commission undertake an exercise, similar to what they had one with respect to the vision/mission statement, to discuss and refine the attributes they are looking for in an Executive Director. The Commission agreed to discuss this at the March 19 Commission meeting. Mr. Deller left the meeting at 6:45 p.m. to attend another engagement.

9. CONCEPTUAL DISCUSSIONS CONCERNING REAL ESTATE CAPITAL EXPENDITURES.

Ms. Pezzello explained to the Commission that if it wished to go into executive session to enter into conceptual discussions concerning real estate and capital expenditures, a motion to go into closed session would be in order. She read the motion stated below.

Upon motion duly made by Ms. Hunger and seconded by Mr. Ryan, the following vote was adopted:

VOTED: To go into closed session, pursuant to the Open Meetings Act, Rhode Island General Laws Section 42-46-4, in order to enter into conceptual discussions concerning real estate capital expenditures, under Section 45-46-5(a)(7).

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. Van Leesten.

Voting against the foregoing were: None.

Members of the public were then asked to leave the boardroom at 6:47 p.m. for the closed session.

The public session was reconvened at 6:55 p.m.

Chairperson Kane reported that the discussion during the closed session was confined to real estate capital expenditures and that the only vote taken during closed session was to end the closed session and reconvene the public session.

Upon motion duly made by Mr. Van Leesten and seconded by Ms. Hunger, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws § 42-46-4, § 42-46-5 and § 42-46-7, the Open Meetings Act, the minutes of the closed session shall not be made available to the public, except as to the portions of such minutes as the Commission ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Chairperson Kane, Dr. Bready, Ms. Hunger, Ms. Johnson, Mr. Kelly, Mr. Ryan, and Mr. Van Leesten.

Voting against the foregoing were: None.

There being no further business in Public Session, upon a motion by Ms. Hunger and seconded by Mr. Van Leesten the meeting was adjourned at 7:03 p.m.

David M. Gilden, Assistant Secretary