

# **RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

## **MEETING OF DIRECTORS**

### **PUBLIC SESSION**

**JUNE 27, 2005**

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, June 27, 2005, in Public Session, at 4:00 p.m., at the offices of the Rhode Island Economic Development Corporation located at One West Exchange Street, Providence, Rhode Island, pursuant to notice of the meeting to all Directors, and public notice of the meeting, a copy of which is attached hereto, as required by the By-Laws of the Corporation and applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Mr. Keith Stokes, Mr. Joshua Miller, Ms. Alma Green and Ms. Barbara Jackson. Mr. George Shuster participated in the meeting via telephone.

Directors absent: Governor Donald L. Carcieri and Mr. Frank Montanaro.

Also present were: Executive Director Michael McMahon, members of the Corporation's staff and Attorney Robert I. Stolzman.

Mr. Keith Stokes presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

#### **1. CALL TO ORDER**

Mr. Stokes called the meeting to order at 4:00 p.m. Mr. George Shuster then called in and his presence at the meeting via telephone was confirmed by Attorney Robert I. Stolzman. Mr. Stolzman and Mr. Shuster confirmed that: Mr. Shuster could hear everyone at the meeting; everyone at the meeting could hear Mr. Shuster; Mr. Shuster had received notice of the meeting as well as a full agenda package; Mr. Shuster was not with any other Board members, members of the Corporation's staff or any other parties with matters pending before the Board; all of the Board members were satisfied that Mr. Shuster was participating in the meeting via telephone; and Mr. Shuster would verify his participation in this meeting in writing by approving the minutes of the meeting after his review of the minutes.

#### **2. APPROVAL OF THE PUBLIC SESSION MINUTES AND THE EXECUTIVE SESSION MINUTES OF THE MEETING HELD ON MAY 23, 2005**

Upon motion duly made by Ms. Jackson and seconded by Ms. Green, the following vote was adopted:

**VOTED:** To approve the public session minutes and the executive session minutes of the meeting held on May 23, 2005, as presented to the Board this date.

Voting in favor of the foregoing were: Mr. Stokes, Mr. Shuster, Mr. Miller, Ms. Green and Ms. Jackson.

Voting against the foregoing were: None.

**3. FOR CONSIDERATION OF THE APPLICATION OF GOOSEWING PROPERTIES RE: WEEKAPAUG INN UNDER TITLE 42, CHAPTER 117 OF THE RHODE ISLAND GENERAL LAWS.**

Mr. Andrew Dzykewicz presented the request of Goosewing Properties re: Weekapaug Inn for the issuance of a Certificate of Critical Economic Concern. He explained that The Weekapaug Inn, Inc. ("WII") is seeking to preserve the Weekapaug Inn, a historic property located in Westerly, Rhode Island. WII plans to expand its operation from a four month per year to a year round time frame, and expects to provide 138 full time equivalent jobs when the project is completed. Mr. Dzykewicz explained that the project, when completed, will generate approximately \$901,283 in annual state taxes and \$349,063 in annual municipal taxes.

The project requires four permit approvals from the Department of Environmental Management and one permit from the Coastal Resources Management Council. WII has submitted the appropriate application and fee of \$20,000. In addition, Mr. Dzykewicz reported that the CCEC Committee met on June 20, 2005 to consider this matter and voted to recommend its approval to the EDC Board. Ms. Jackson, a member of the CCEC Committee, noted that there was nothing unusual about this request.

Mr. Dzykewicz introduced principals Mr. Zachary Miller and Mr. Craig Pishotti, to the Board. Mr. McMahon commented that the Weekapaug Inn is a great location for tourist attraction in Rhode Island and that the proposal is a great project.

There being no questions of the Board, upon motion duly made by Ms. Jackson and seconded by Mr. Miller, the following vote was then adopted:

**VOTED:** See text of vote and supporting documents at **Exhibit A.**

Voting in favor of the foregoing were: Mr. Stokes, Ms. Jackson, Ms. Green, Mr. Miller and Mr. Shuster.

Voting against the foregoing were: None.

**4. FOR APPROVAL OF PROJECT STATUS FOR STANLEY BOSTITCH PROJECT.**

Ms. Jean Robertson presented the proposal to grant Project Status to Stanley Fastening Systems, L.P., a/k/a Stanley Bostitch Co. (“SFS”). SFS is planning major renovations of its facilities in East Greenwich, which will add 56,000 sq. ft. of space at a cost of \$7.9 million. SFS has already added approximately 200 jobs since the beginning of this expansion over the past year and has pledged to add another 100 jobs once the expansion is completed over the next two years.

Ms. Robertson pointed out a correction in the Economic Impact Analysis for this project (attached to Exhibit B), in that the average salary should be \$53,600 rather than \$54,400 as printed in the Economic Impact Analysis.

Mr. McMahon commented that this expansion is a good move on behalf of SFS and indicates the strength of its local management team.

Upon motion duly made by Ms. Green and seconded by Ms. Jackson, the following vote was then adopted:

**VOTED:** See text of vote at **Exhibit B.**

Voting in favor of the foregoing were: Mr. Stokes, Ms. Jackson, Ms. Green, Mr. Miller and Mr. Shuster.

Voting against the foregoing were: None.

**5. FOR APPROVAL OF BANK OF AMERICA BANKING RESOLUTIONS.**

Mr. Richard Reed explained that the Corporation requires approval of the Board in order to transfer its banking relationship from Citizens Bank to Bank of America.

Upon motion duly made by Mr. Shuster and seconded by Ms. Jackson, the following vote was then adopted:

**VOTED:** See text of vote at **Exhibit C.**

Voting in favor of the foregoing were: Mr. Stokes, Ms. Jackson, Ms. Green, Mr. Miller and Mr. Shuster.

Voting against the foregoing were: None.

**6. FOR APPROVAL OF AMENDMENTS TO PENSION PLAN, IRA ROLLOVER PROVISIONS AND HEALTH & WELFARE PLANS.**

Mr. Stolzman explained that ministerial changes in the Corporation's Pension Plan, IRA Rollover Provisions and Health and Welfare Plans are necessary in order to comply with changes made by the IRS and in the Section 125 Flexible Benefits Plan.

Upon motion duly made by Ms. Jackson and seconded by Mr. Shuster, the following vote was then adopted:

**VOTED:** See text of vote at **Exhibit D.**

Voting in favor of the foregoing were: Mr. Stokes, Ms. Jackson, Ms. Green, Mr. Miller and Mr. Shuster.

Voting against the foregoing were: None.

**7. FOR UPDATE AND INFORMATION REGARDING VARIOUS INSURANCE MATTERS OF THE CORPORATION.**

Mr. Reed explained that the Board packages contain information regarding the various lines of insurance coverage selected for fiscal year '06, and noted that the total cost is within budget and lower than that for fiscal year '05. (See **Exhibit E**)

**8. FOR RELEASE OF EXECUTIVE SESSION MINUTES AND RESOLUTION REGARDING HEXAGON PROJECT.**

Mr. Stolzman requested that the Board approve the release of the Executive Session minutes and resolution regarding the Hexagon Project from the meeting held on May 23, 2005 to public status.

Upon motion duly made by Mr. Shuster and seconded by Ms. Jackson, the following vote was then adopted:

**VOTED:** To release the minutes and resolution adopted at the Executive Session meeting held on May 23, 2005 to public status. (See **Exhibit F**)

Voting in favor of the foregoing were: Mr. Stokes, Ms. Jackson, Ms. Green, Mr. Miller and Mr. Shuster.

Voting against the foregoing were: None.

**9. EXECUTIVE DIRECTOR'S REPORT**

Executive Director McMahon commented on the recently publicized decision by Hexagon to keep and expand its facilities in Rhode Island. He noted that the lesson in this is that success comes from working together, and particularly noted the efforts of

the Chairman of Finance and the Chairman of the Senate in making this happen. Mr. McMahon stated that it was Governor Carcieri's idea to utilize an installment sale approach and that the General Assembly is to be credited with creating incentives regarding jobs. He commented that the two major reasons that Hexagon decided to stay in Rhode Island are 1) its recognition of the "value-add" of its workforce and 2) the resistance of Rhode Island workers to travel "all that way" to Stonington.

Mr. McMahon also noted that at its parent level, Hexagon is growing and continuing to make acquisitions. He stated that Quonset provides a good site for them to grow into.

Mr. McMahon thanked the Board and all who worked together on this project for their efforts, particularly Mr. Bill Parsons and the Town of North Kingstown.

Mr. Stolzman noted that an announcement had just been made that groundbreaking for this project has been set for Thursday, June 30, 2005.

On another matter, Mr. McMahon distributed an Economic Impact Analysis regarding the 2005 Airport Project to the Board (See **Exhibit G**).

There being no further business in Public Session the meeting was adjourned at 4:30 p.m., upon motion by Ms. Green and seconded by Ms. Jackson.

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Robert I. Stolzman, Secretary