

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

FEBRUARY 26, 2007

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, February 26, 2007, in Public Session, at 4:00 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 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. Frank Montanaro, Mr. Keith Stokes, Mr. George Shuster, Ms. Barbara Jackson and Mr. Alexander Biliouris.

Director absent: Governor Donald L. Carcieri, Ms. Alma Green and Ms. Cheryl Merchant.

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

Mr. Frank Montanaro presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Mr. Montanaro called the meeting to order at 4:05 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON JANUARY 29, 2007

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

VOTED: To approve the public session minutes of the meeting held on January 29, 2007, as presented to the Board this date.

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

Voting against the foregoing were: None.

3. EXECUTIVE DIRECTOR'S REPORT

Executive Director Saul Kaplan reported that the Corporation is very busy now that the legislative session is up and running again. He noted that he and staff are preparing for the EDC budget hearing scheduled for March 29, and that the budget's two most important areas of focus are the IT and Digital Media Center which was recommended by STAC in 2006 and the Rhode Island Wireless Innovation Networks project ("RI-WINs").

Mr. Kaplan stated that the Corporation is very focused on the Rhode Island business climate, particularly with respect to finance programs. He reported that Mike Saul is Director of the TURF program, which is focused on urban revitalization. Mr. Kaplan stated that Mr. Saul is working on creating financing programs and tools for the 21st century and will report to the Board on this matter in the near future.

Mr. Kaplan reported that Evan Matthews is creating a list of industrial sites around the State so that the Corporation will have an inventory of sites on hand to present to businesses looking to locate in Rhode Island. A data base will be created and Mr. Matthews will make a presentation on this matter to the Board in the future.

With respect to creating a workforce with skills for the 21st century, Mr. Kaplan noted that the Corporation is collaborating and strengthening its relationship with the Department of Labor and Training. He stated that there is a need to create programs that will enhance the creation of a 21st century workforce.

Referring to last month's report on the Science and Technology Advisory Council ("STAC"), Mr. Kaplan reported that staff is actively working on innovation projects, with an emphasis on the RI-WINs program. He stated that the EDC is working toward being the first State in the Country to have a border to border, broadband wireless network, and that this program is the Corporation's lead initiative for 2007. In addition to the distribution of a brochure regarding RI-WINs (See **Exhibit A**), the Board also enjoyed a video presentation regarding this program.

Following the video presentation, Mr. Kaplan reported that he had attended a gathering of the engineering department, including 35 students, at Brown University on Friday, February 23 at 6:00 p.m., during which the engineering students presented their ideas on how they would use a border to border, broadband wireless network. Mr. Kaplan was very encouraged by the variety of uses the students came up with, which included the areas of tourism, public safety, health care and consumers.

Mr. Stokes reported that a presentation on RI-WINs made to the Newport County Chamber Board was very well accepted, and that the Chamber recognizes that this program has very broad-based benefits for all businesses. He noted that he has received inquiries regarding this program, including an inquiry from a small business known as Real Weather, which provides sailing conditions in real time. Mr. Stokes has also heard from Salve Regina University and Yale University, which are both studying historic cemeteries and doing archeological reviews of grave markers. Using a laptop,

the students can access research information online while they are at the sites being studied, thereby obtaining information immediately and in real time. Mr. Stokes described the RI-WINs project as a very important investment.

In response to a question of Ms. Jackson regarding the pushback from the wireless providers, Mr. Kaplan stated that the EDC is more interested in focusing on the enterprise innovation piece, which includes small businesses. He stated that this program will help to make existing businesses stronger and attract new businesses to the State.

4. FOR APPROVAL OF INDUCEMENT RESOLUTION FOR THE RHODE ISLAND PHILHARMONIC ORCHESTRA

Mr. Earl Queenan introduced David Wax, Executive Director of the Rhode Island Philharmonic Orchestra (“RIPO”), and Attorney Ellen Corneau, of Edwards Angell Palmer & Dodge LLP, both of whom were present to answer any questions of the Board regarding this matter. He explained that RIPO is requesting the issuance of \$7,000,000 RIEDC Tax Exempt Revenue Bonds for a major renovation and expansion of its newly purchased facility located in East Providence. The facility at the former Meeting Street Center was purchased by RIPO in December 2006 to house the Philharmonic’s administrative offices and its Music School, which has grown substantially since their merger in 2000. Mr. Queenan explained that this is a conduit bond financing program and that no sales tax credits are being granted. Bank of America has agreed to provide a direct pay letter of credit. See **Exhibit B** for details.

Upon an inquiry of Mr. Biliouris regarding the existence of any issues with contamination at the site, Mr. Wax explained that a very small portion of the site was once used as a solid waste disposal area, a burn site. He reported that DEM has approved a plan for remediation which will cost \$200,000. Mr. Stolzman confirmed that the contamination and its remediation will have no effect on the EDC or the State, as neither will be in the chain of title for the property.

Mr. Biliouris was concerned that the term of the bonds would be 25-30 years but the letter of credit would only be good for 3 years. Ms. Corneau stated that it is very common for letters of credits to be good for 3 to 5 years. Mr. Stolzman explained that, upon the expiration of the letter of credit, either insurance or a new letter of credit would be obtained so that there would always be protection. Upon an additional inquiry of Mr. Biliouris, Ms. Corneau explained that common practice is that additional fees are not charged on subsequent re-negotiations of letters of credit.

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 B.**

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

Voting against the foregoing were: None.

5. FOR APROVAL, SUBJECT TO GENERAL ASSEMBLY APPROVAL, OF A. DUIE PYLE, INC. PROJECT

Attorney Stolzman explained that the process for granting of project status now requires approval of the House and the Senate. Mr. Kaplan stated that, upon approval by the EDC Board, he and staff will work with the General Assembly to facilitate their determination on this matter.

Mr. Stolzman introduced Attorneys Joseph Rodio and David Ursillo, representing A. Duie Pyle, Inc. ("Pyle"), to the Board. He explained that Pyle is a Pennsylvania company which provides transportation and third part logistics to businesses located throughout the Northeast corridor. The Company wishes to expand into Rhode Island at a site located next to the Rhode Island Resource Recovery Corporation ("RIRRC") in Johnston. The Company has been working with RIRRC as well as the Town of Johnston to negotiate favorable conditions for the establishment of this expansion.

Mr. Rodio reported that conversations earlier this date with the Town of Johnston had gone favorably and that a purchase and sale agreement is being negotiated with RIRRC.

Mr. Biliouris noted Pyle's desire to hire from Rhode Island and asked for an explanation of their outreach efforts in achieving this goal. Mr. Kaplan stated that the EDC will do what it can to find/attract a work force and noted that the company will create a good number of jobs at good salaries. Mr. Rodio explained that Pyle has a training facility in Westchester, Pennsylvania and will pay people to be educated at the training facility and then hire them.

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. Montanaro, Mr. Stokes, Mr. Shuster, Ms. Jackson and Mr. Biliouris.

Voting against the foregoing were: None.

Mr. Stolzman noted that the matter of approval of the High Tech Profiles Medical Project is being continued to the March Board meeting.

6. VOTE TO MEET IN EXECUTIVE SESSION

By open call prior to adjournment to Executive Session, upon motion duly made by Mr. Stokes and seconded by Mr. Shuster, the following vote was adopted:

VOTED: That the Board adjourn to Executive Session to consider and possibly take action on such matters as permitted by subsection (2) (litigation); subsection (5) (acquisition of lease of real property) and subsection (7) (investment of public funds) of Rhode Island General Laws, §42-46-5 (a), the Open Meetings Act.

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

Voting against the foregoing were: None.

7. RECONVENE OPEN SESSION

The public session was reconvened at 4:55 p.m. The Chairman reported that a litigation matter was discussed.

There being no further business in Public Session, the meeting was adjourned at 5:00 p.m., upon motion made by Ms. Jackson and seconded by Mr. Stokes.

Robert I. Stolzman, Secretary