

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

DECEMBER 15, 2008

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, December 15, 2008, 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: Governor Donald L. Carcieri, Mr. Frank Montanaro, Mr. Keith Stokes, Mr. George Shuster, Ms. Alma Green, Mr. Alexander Biliouris and Ms. Kimball Hall.

Director absent: Ms. Cheryl Merchant.

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

Governor Donald L. Carcieri presided over the meeting and Attorney Robert I. Stolzman acted as Secretary.

1. CALL TO ORDER

Governor Carcieri called the meeting to order at 4:20 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON NOVEMBER 24, 2008

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

VOTED: To approve the public session minutes of the meeting held on November 24, 2008.

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

Voting against the foregoing were: None.

3. INTERIM EXECUTIVE DIRECTOR'S REPORT

Interim Executive Director J. Michael Saul thanked Governor Carcieri for appointing him to manage the Corporation until a permanent replacement is found for former Executive Director Saul Kaplan, who resigned his position on December 9, 2008. Mr. Saul acknowledged Mr. Kaplan's input and accomplishments during his tenure at the Economic Development Corporation and noted that the Corporation will continue to work with Mr. Kaplan as he leads the Business Innovation Factory.

Mr. Saul described his first week as Interim Executive Director as exciting and challenging. He noted that he has been on staff with the Corporation for two years and is dedicated to change. Mr. Saul stated that his transition message is that there will be no slowdown in critical initiatives and he will continue to report to the Board, the Governor and the legislature.

Mr. Saul noted that he is excited about the Small Business Stimulus Package recently announced by Governor Carcieri, which he has been working on for some time. This program has been designed to make more capital available to small businesses, and has the potential of bringing in \$7 million in new capital. It also includes a pledge from the local banking community to invest more than \$165 million in small businesses over the next two years. More details on this small business initiative can be found in the press package distributed to the Board members at **Exhibit A**. Mr. Saul noted that the EDC, as a neutral place to look for solutions, is well equipped to execute this plan.

Governor Carcieri stated that Mr. Saul did an excellent job with developing this package. He also noted that the local branches of Bank of America and Sovereign Bank wanted to participate in this program but were unable to make commitments due to corporate situations which were out of their control.

Governor Carcieri reported that Pentair Electronic Packaging has announced that it plans to relocate several manufacturing product lines from Poway, California to its Warwick facility. The company will hold a job fair on December 16 to fill about 80 new jobs.

It was noted that three loans aggregating about \$470,000 were recently approved to facilitate relocations of three existing Rhode Island companies, Avtech Software, Inc., New England Woodworking and Divon Furniture Supply, Inc. Mr. Stokes noted that two out of these three had been contemplating moves to Fall River, Massachusetts, but these loans allowed them to opt to stay in Rhode Island.

At the request of Governor Carcieri, Mr. Stokes reported on BRAC news. Mr. Stokes stated that Newport, Middletown and Portsmouth have signed a memorandum of understanding with respect to 384 acres which are about to be released by the U.S. Navy. He reported that the Navy has \$250 million in funded capital projects, one of which is a new Navy Supply School, for which a Rhode Island contractor has been hired. Mr. Stokes noted that the Rhode Island National Guard will also be expanding. He stated that the Navy currently has money to spend on capital projects.

4. FOR APPROVAL OF ADMINISTRATIVE AND SIGNATORY AUTHORITY OF J. MICHAEL SAUL

Attorney Stolzman explained that a resolution was necessary in order to authorize Mr. Saul to have administrative and signatory authority of the Executive Director during while he is acting as Interim Executive Director.

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

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

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

Voting against the foregoing were: None.

5. FOR REVIEW OF GARVEE PROGRAM

Mr. Saul introduced Maureen Gurghigian, Managing Director of First Southwest Company, to review the GARVEE Program. Ms. Gurghigian referred the Board members to copies of a PowerPoint presentation (See **Exhibit C**) distributed to the members.

Ms. Gurghigian explained that the acronym, "GARVEE" refers to "Grant Anticipation Revenue Vehicles". She reported that the EDC has issued GARVEE bonds for five transportation projects since the program's enactment in 2003, those being: the Route 195 Relocation Project, the new Washington Bridge, the Route 403 Project, the Freight Rail Improvement Project ("FRIP") and the new Sakonnet Bridge. With the exception of the new Washington Bridge, all of the projects have required a 20% State match, the funds for which are derived from a State motor fuel tax. Ms. Gurghigian noted that the 2009 GARVEE Bond issuance is projected to be in the amount of \$155 million and the Motor Fuel Tax Revenue Bond issuance is projected to be approximately \$22 million.

Further details, as reviewed by Ms. Gurghigian, can be found at **Exhibit C.**

Ms. Gurghigian stated that this matter is expected to come before the Board for a vote at the January 2009 meeting, and that a closing is anticipated in February 2009.

Mr. Stolzman noted that Mr. Saul suggested that Ms. Gurghigian present this background in order to prepare the Board members for the January vote.

Governor Carcieri stated that all indications point to a big infrastructure movement in the nation's capitol, with funding requests up to \$900 billion. Transportation needs are great, including bridge and road repairs. He noted that this stimulus should provide employment to many people.

6. VOTE TO MEET IN EXECUTIVE SESSION

By open call prior to adjournment to Executive Session, upon motion duly made by Mr. Montanaro and seconded by Mr. Stokes, 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 (1) (personnel matters); 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. Green, Mr. Biliouris and Ms. Hall.

Voting against the foregoing were: None.

7. RECONVENE OPEN SESSION

The public session was reconvened at 5:10 p.m. The Chairman reported that personnel matters were discussed and no action was taken by the Board.

There being no further business in Public Session, the meeting was adjourned at 5:15 p.m., upon motion made by Mr. Stokes and seconded by Mr. Montanaro.

Robert I. Stolzman, Secretary