

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

DECEMBER 21, 2009

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, December 21, 2009, 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 bylaws 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. Keith Stokes, Mr. George Shuster, Ms. Cheryl Merchant, Ms. Kimball Hall and Mr. Alexander Biliouris.

Director absent: Mr. Frank Montanaro and Ms. Alma Green.

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

Governor 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 4:10 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETINGS HELD ON NOVEMBER 23, 2009 and DECEMBER 8, 2009

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 meetings held on November 23, 2009 and December 8, 2009, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

3. INTERIM EXECUTIVE DIRECTOR'S REPORT

See **Exhibits A and B** for a summary of Mr. Saul's report and a packet of recent press Releases. In his report, Mr. Saul highlighted the continuing efforts being made on business development, specifically two Rhode Island Industrial Facilities Corporation (RIIFC) bonds in the works that will help to support the expansion of two Rhode Island companies and create over 90 new jobs.

Mr. Saul noted that the 2010 NEDA (Northeast Economic Developers Association) Conference will be held in Providence. He also reported that the RIEDC and the Procurement and Technical Assistance Center (PTAC), together with Naval Station Newport and the Newport Chamber of Commerce, held a "How to do Business with Rhode Island Military Commands" on December 11, 2009. This successful event brought in over 250 attendees and provided information to the construction trades and other service related businesses on how to do business with Naval Station Newport as it continues its post-BRAC growth. The event was the idea of Mr. Keith Stokes and a follow-up event is scheduled for January 20, 2010.

Mr. Saul noted the roundtable discussion which took place on December 17, 2009 regarding the creation of a cohesive and comprehensive strategic plan for the tourism industry. The discussion was facilitated by Mr. David Radcliffe, principal of the Radcliffe Company, a hospitality-related consulting firm.

An event is being planned for early February 2010 regarding progress in the green economy. Mr. Saul explained that the strategic plans for the accelerators identified at the June event will be rolled out at that time.

Governor Carcieri reported that he had attended a briefing this date on a Regulatory Task Force which produced good recommendations. He described the group as an excellent working group made up of participants from both the municipal and state sectors.

Governor Carcieri also reported that an announcement regarding the development of a wind farm is scheduled for December 22. He explained that the DEM has issued an RFI for up to 6 turbines, and is moving forward on identifying locations. Governor Carcieri noted that he was surprised to learn that 5% to 6% of the electrical supply goes into running sewer treatment plants nationwide.

4. FOR JOBS DEVELOPMENT ACT APPROVAL FOR GALAXY NUTRITIONAL FOODS, INC.

Mr. Saul referred the Board members to the economic impact analysis presented for jobs development act approval for Galaxy Nutritional Foods, Inc. ("Galaxy") (See **Exhibit C**). He explained that the Galaxy's CEO, Rick Antonelli, is a Rhode Island resident and a former executive of United Natural Foods Inc. The business is relocating from Florida, bringing 29 new employees to Rhode Island. Mr. Saul introduced Mr. Brian O'Hare, Galaxy's CFO, who was present to answer any questions.

There being no questions, upon motion duly made by Mr. Shuster and seconded by Ms. Merchant, the following vote was adopted:

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

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

Voting against the foregoing were: None.

5. FOR JOBS DEVELOPMENT ACT APPROVAL FOR INQUEST TECHNOLOGIES, INC.

Mr. Stolzman distributed an Economic Impact Analysis to the Board members regarding the request of InQuest Technologies, Inc. (“InQuest”) for jobs development act approval (See **Exhibit D**). Mr. Saul explained that InQuest moved to Rhode Island from Southboro, Massachusetts in 2008, with 19 initial jobs. The company develops web-based enterprise software, and has contracts with Gilbane Construction, ConEd and the US Navy, among others. InQuest’s technology is valuable to a cross section of industries. The CEO of the company lives in Rhode Island, which was a major factor in its relocation, and the jobs are all high wage jobs.

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

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

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

Voting against the foregoing were: None.

6. FOR ECONOMIC DEVELOPMENT PROJECT STATUS FOR PARMATECH-PROFORM CORPORATION

Ms. Katherine Flynn explained that Parmatech-Proform Corporation (“Parmatech”) is a newly organized company located in East Providence and is owned by ATW Companies, which was founded in Providence, RI in 1886. Parmatech purchased the assets of a Massachusetts business and plans to add 100 jobs during the first three years of its operation. The company is acquiring a property that requires substantial improvements to meet its needs.

Attorney Stolzman noted that this is the first request for Project Status since the new criteria was established by the General Assembly, and that Parmatech meets the new criteria.

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

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

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

Voting against the foregoing were: None.

Mr. Stokes asked if there was a staff person who provides assistance to businesses with training, particularly through CCRI. Mr. Saul explained that Paul Harden is the point person at EDC who handles training assistance matters. Upon further inquiry of Mr. Stokes, Mr. Saul stated that follow-up tracking on these matters is not currently provided. Attorney Stolzman suggested that this be built into EDC's reporting. Mr. Stokes noted that it would be interesting to see who is most effective in providing training assistance to businesses. Governor Carcieri suggested that Mr. Saul call Sandra Powell, who is on the Workforce Development Board. Mr. Stokes commented that there needs to be a better sense of the skill sets required for Rhode Island jobs. Mr. Saul responded that the Senate's next economic summit is to be dedicated to workforce development.

7. FOR APPROVAL OF AMENDMENTS TO PENSION PLAN

Attorney Stolzman explained that this matter involves a substantive policy decision and referred the Board members to his memorandum on the subject (See **Exhibit F**). He explained that, while the enabling legislation for the Quonset Development Corporation (QDC) allowed for QDC to have its own employees, it was determined early on that it would be more efficient for the QDC staff to remain employees of the RIEDC. Now that some time has passed and the QDC governance has matured, it has been determined to have QDC employee its own staff directly.

Mr. Stolzman went on to explain that the Executive Director of the RIEDC will remain as Chair of the Board of QDC, and that there will be no financial changes through the end of the current fiscal year ending June 30, 2010. He noted that there remain some technical items, such as accrued vacation pay, health care, etc., that have yet to be finalized. The proposed amendments were prepared by Angell Pension Group, the EDC's pension advisor.

Upon inquiry of Mr. Shuster, Ms. Denise Javery explained that there are 45-50 retirees currently participating in the pension plan.

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

VOTED: That the resolutions presented to the Board at **Exhibit F** be executed by the RIEDC and the QDC, respectively.

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

Voting against the foregoing were: None.

There being no further business to come before the Board, the meeting was adjourned at 4:40 p.m., upon motion made by Shuster and seconded by Mr. Stokes.

Robert I. Stolzman, Secretary

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