

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

JANUARY 25, 2010

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, January 25, 2010, 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. Frank Montanaro, Mr. George Shuster, Ms. Cheryl Merchant, Ms. Kimball Hall and Mr. Alexander Biliouris. Mr. Keith Stokes resigned from the Board of Directors effective January 22, 2010; a copy of his resignation is attached.

Director absent: Ms. Alma Green.

Also present were: Executive Director Keith Stokes, 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 4:00 p.m.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON DECEMBER 21, 2009

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

VOTED: To approve the public session minutes of the meeting held on December 21, 2009, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

Prior to the presentation of the Executive Director's report, Governor Carcieri addressed the Board regarding the events that have taken place since the last Board meeting in December 2009.

With respect to the decision of Ioanna Morfessis to resign the position of Executive Director, Governor Carcieri explained that a family medical issue was the overriding factor in her decision. He stated that Ms. Morfessis did not want to make the information public, but she had a chance to help a close family member with a medical crisis and would not be able to give Rhode Island her complete attention. Governor Carcieri reported that he then approached Mr. Keith Stokes about the position and Mr. Stokes graciously accepted the offer. Governor Carcieri noted that Mr. Stokes has been involved with the Corporation for a long time and is well apprised of the issues and the work that needs to be done.

Governor Carcieri reported that he would submit a list of new Board members to the Senate this week, and offered a heartfelt thanks to all current Board members for all of their efforts. He referred to the results of the Review Panel, which recommended broadening the Board and folding in the Economic Policy Council. Governor Carcieri explained that going forward the EDC will develop various policy subcommittees for review and recommendations to be reported to the Board. He expressed his hope that the Senate will act quickly to confirm both Mr. Stokes' appointment and the new Board of Directors. Governor Carcieri stated that he wants the EDC to bring whole communities together, including chambers and labor groups, and to keep everyone involved and communicating.

Mr. Shuster praised Mr. Stokes for his work with the Newport Chamber of Commerce.

3. EXECUTIVE DIRECTOR'S REPORT

See **Exhibits A and B** for the Executive Director's report and a packet of recent press Releases. In his first report as Executive Director, Mr. Stokes stated the EDC now has an opportunity to create a new organization and really develop its staff to be successful in the economic development arena. He noted that the staff has done a great job with his recent transition and gave particular thanks to former Interim Executive Director Michael Saul for his cooperation and assistance.

Mr. Stokes stated that he would like to work on immediate impact initiatives, with outreach to the business community, to create a very defined plan for economic development. He added that there is a very positive interest in moving forward and that the Corporation is moving in the right direction. He noted that this year the sense of urgency is stronger than in the past.

Referring to his report (See **Exhibit A**), Mr. Stokes noted the positive media responses to recent EDC events, and explained that the \$1.5 million stimulus grant for Broadband Mapping will be managed within the EDC.

Mr. Stokes reported that a Green Economy Roundtable will be held on February 9 at the Crowne Plaza in Warwick, at which five acceleration initiatives will be announced. He noted that the EDC has worked and must continue to work very closely with CCRI, URI, the United Way and other educational institutions to develop knowledge-based workforce training programs.

Mr. Stokes reported on an event sponsored by PTAC that took place in December at Naval Station Newport for defense contracting. The event was attended by many small contractors and vendors and focused on how to compete for defense contracts.

Mr. Stokes stressed the importance of tourism and hospitality in Rhode Island's economic development, these being a very important employment sector. He would like to see the EDC reach out to and collaborate with local tourism agencies to develop a strategic plan for statewide branding, including the adoption of a new State logo. Mr. Shuster noted that Rhode Island has many sites that can be promoted, such as the Sprague Mansion, the history of which includes events leading to the end of capital punishment in Rhode Island. Mr. Stokes concurred with Mr. Shuster and stated that the State needs a single brand and a coordinated marketing effort. He said there are many attractions in Rhode Island that are run by small groups that, while doing the best they can, do not have the resources to be as successful as they could be. Mr. Montanaro noted that many of the historic tourist facilities cannot support themselves and there is a need to find a way to provide assistance with state funding. Governor Carcieri noted that Rhode Island is unique, with a fascinating and significant history in a small geographic area. Mr. Stokes stated that the EDC's role should be as a facilitator to bring all attractions together.

Governor Carcieri stated that it is important to continue to move forward with the development of wind farms, noting the recent agreement between Deep Water and National Grid. He explained that Block Island has always been diesel fuel-powered, which is very expensive, and that part of the Deep Water project is to put in a cable to hook Block Island with the mainland. Governor Carcieri noted that Rhode Island and Massachusetts have reached an agreement regarding the use of waters and that a similar agreement must be reached with the federal government. He explained that wind-based energy is being used in many other countries and that Rhode Island could be a trail blazer for the United States. He stated that Quonset Point is a perfect place to centralize manufacturing jobs to build all the parts of wind turbines, and that Block Island, with 8 full turbines, will be the start.

4. FOR APPROVAL OF SIGNATORY AUTHORITY AND TERMS OF NEW EXECUTIVE DIRECTOR, KEITH STOKES

Attorney Stolzman explained that State law requires that the Board approve the usual corporate authority and set a salary for the new Executive Director, and referred to the resolution provided in the Board package. He also noted that Mr. Stokes had resigned as a Board member in order to accept the position as Executive Director. Mr.

Stolzman added that Mr. Stokes' appointment still must have the advise and consent of the Senate.

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

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

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

Voting against the foregoing were: None.

5. FOR APPOINTMENT OF TREASURER.

Mr. Stolzman explained that Mr. Stokes' resignation includes his resignation as Treasurer of the Corporation, and that, at Governor Carcieri's request, and Mr. Alexander Biliouris has agreed to serve as Treasurer.

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

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

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

Voting against the foregoing were: None.

Mr. Biliouris noted that he attended the recent SBA Economic Summit, which was also attended by Governor Carcieri and Mr. Stokes. He stated that the SBA must be brought in to the fold to work together with the EDC to stop redundancy and maximize resources. Mr. Stokes acknowledged that he agreed with Mr. Biliouris and noted that he has had discussions with Mark Haywood, the District Director of the SBA, about working together for a common goal. Governor Carcieri noted that SBA volume stepped up substantially in December, and suggested a State guarantee to top off the SBA guarantee.

Mr. Biliouris added that, based on his discussions with other small business owners, Rhode Island could be an incubator for small businesses. He suggested the creation of a Small Business Credit Union as an idea to be discussed with the District Director of the SBA, noting that it has become increasingly difficult for small businesses to obtain financing from larger banks. He suggested that a Small Business Credit Union might be more user-friendly to small businesses.

Mr. Stokes commented that the EDC has a lot of good products that are under-capitalized; adding that, compared to last year, there is a stronger sense of urgency to do something to improve economic development this year.

Governor Carcieri noted that 43 States, including Rhode Island, saw an increase in unemployment last month, and that recovery is very fragile in terms of creating jobs.

There being no further business to come before the Board, the meeting was adjourned at 4:45 p.m., upon motion made by Ms. Merchant and seconded by Ms. Hall.

Robert I. Stolzman, Secretary

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