

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

**MEETING OF BOARD OF DIRECTORS**  
**MAIN STREETS SUBCOMMITTEE**  
**PUBLIC SESSION**

**AUGUST 17, 2011**

The Main Streets Subcommittee of the Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Wednesday, August 17, 2011, in Public Session, beginning at 9:00 a.m., at the offices of the Rhode Island Economic Development Corporation located at 315 Iron Horse Way, Providence, Rhode Island, pursuant to notice of the meeting to all subcommittee members, 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 individuals were present and participated throughout the meeting: Subcommittee Chairman Mr. Stanley Weiss, Mr. Jerauld Adams, Mr. Robert Leaver, Ms. Doris de los Santos, Mr. Victor Barros, Jr. and Mr. Bill Parsons.

The members of the subcommittee approved the meeting minutes from the July 21, 2011 subcommittee meeting. Mr. Weiss opened up the discussion regarding the review and approval of the RFP for Main Street Consultant Services. Mr. Leaver suggested that, if the RFP is not going to contain a budget ceiling, the respondents should prioritize their tasks and budget. Mr. Parsons stated that the budget is approximately \$20,000, which is based on an estimate received from a national model, the National Trust Historic.

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

**VOTED:** To accept the proposed RFP for Main Street Consultant Services.

Voting in favor of the foregoing were: Mr. Weiss, Mr. Adams, Mr. Leaver, and Ms. de los Santos.

Voting against the foregoing were: None.

Mr. Weiss opened up the discussion regarding the review and update on the Urban Business Investment Program. Mr. Barros stated that Mr. Leaver was brought in to discuss how to distribute and reformulate the Minority Investment Development Corporation ("MIDC") and The Urban Revitalization Fund ("TURF"). Mr. Leaver provided the members of the subcommittee with a summary of the Urban Business Investment Program Working Paper. He stated that approximately 60 community members were involved in the process, including a core group, a working group and

roundtables, which generated many of the core ideas. Mr. Leaver stated that the focus is on six growth sectors, which include: advanced manufacturing, which uses knowledge, technology and lean processes; business and professional services; IT and graphic design; "Green", which includes renewable energy solutions and energy efficiency products; life sciences, medical devices and health care; and new media, which includes gaming, interactive media, and the blending of art and science in diverse applications.

Mr. Leaver stated that there are three targeted zones: Pawtucket, which is focused on a design cluster in the Armory Arts District located in the area around Exchange Street; Upper South Providence, where the focus is on life sciences and includes the area from Dudley to Public to Allens to Eddy to Prairie Streets; and Providence (Olneyville), where the focus is on Green and advanced manufacturing along a narrow slice (2 to 4 block wide zone) from Olneyville to ALCO. Mr. Leaver noted that the criteria for selecting these urban target zones included the level of revitalization, amenities, business presence and innovation. Mr. Leaver stated that MIDC and TURF are in the process of merging and combining their capital to seed a redesigned Urban Investment Fund.

Mr. Weiss opened up the discussion regarding recommendations for the Enterprise Zone Program. Mr. Barros stated that the first recommendation is to reinstate the Enterprise Zone tax credit as a credit against Rhode Island personal income, which would allow pass through business entities such as sole proprietorship, LLC, LLP and S-corporations to utilize the tax credit. The members of subcommittee approved this recommendation. Mr. Barros stated that the second recommendation is to amend the Enterprise Zone boundaries to include all targeted main streets. Mr. Weiss suggested a working map of each of the targeted main street areas that would be included in this legislation. Mr. Weiss stated that the third recommendation is to require participating Enterprise Zone communities to formulate streamlined permitting and expedited licensing procedures. The members of the subcommittee agreed that this item would not be included in the recommendations.

Mr. Weiss stated that the fourth recommendation is to restrict eligibility of the Enterprise Zone resident credit (\$5,000) to urban businesses who hire local urban residents. Mr. Parsons suggested an increase in the resident tax credit from \$5,000 to \$10,000 for the urban based businesses. The members of the subcommittee agreed with this recommendation. Mr. Weiss stated that the fifth recommendation is to make the hiring of part-time employees eligible for the Enterprise Zone tax credit. The members of the subcommittee agreed not to recommend item. Mr. Weiss stated the sixth recommendation is to institute an Enterprise Zone sales tax credit or rebate on sales tax paid on the purchase of certain business assets used exclusively in the Enterprise Zone for at least 3 years. Mr. Parsons stated that there is already a sales tax exemption in place for manufacturers. The members of the subcommittee agreed to not support this recommendation.

Mr. Weiss stated that the seventh recommendation is to institute an Enterprise Zone building materials sales tax credit or rebate on sales tax paid on the purchase of building materials used to rehabilitate real property. The members of the subcommittee agreed with this recommendation, but they agreed that it should be a rebate instead of a tax credit. Mr. Weiss added that the historic tax credit should be added to the recommendations for these targeted area, as well. Mr. Weiss stated that the eighth recommendation is to require each Enterprise Zone community to outline a property tax stabilization plan. The members of the subcommittee agreed that this should not be one of the recommendations. Mr. Weiss stated that the ninth recommendation is to institute a Community Improvement Contribution Tax Credit that provides a 50% tax credit on donations made to Enterprise Zone community development projects. The members of the subcommittee agreed that this should not be one of the recommendations.

Mr. Weiss then opened up the discussion regarding recommendations for Minority Business Enterprise Program ("MBE"). Mr. Barros stated the first recommendation is to reestablish the MBE Commission to examine MBE utilization, impediments and opportunities to help the State achieve its minority business participation goals on state contracts and procurement activities. Mr. Barros stated that the second recommendation is to establish MBE coordinators at every state agency and charge them with the responsibility of promoting MBE activity within each state department and agency and monitoring each contract covered by MBE regulations. Mr. Barros stated that the third recommendation is to require that the State procurement of professional services be reviewed in order to determine if any MBE subcontracting opportunities exist. If the review of a professional service contract indicates that there is an opportunity, then the bid documents should require that all submitting proposals include an MBE plan. Mr. Weiss suggested, and the members of the subcommittee agreed, that Mr. Barros and Executive Director Keith Stokes should confer with the Department of Administration before moving forward with these recommendations.

Mr. Weiss stated that, at the next subcommittee meeting, they would discuss the Urban Small Business Advisory Committee.

The meeting adjourned at 10:45 a.m.

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David M. Gilden, Secretary