

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF BOARD OF DIRECTORS **ACCESS TO CAPITAL SUBCOMMITTEE**

PUBLIC SESSION

November 15, 2011

The Access to Capital Subcommittee of the Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Tuesday, November 15, 2011, in Public Session, beginning at 8:30 a.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 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 as indicated: Subcommittee Vice Chairperson Mr. J.L. Singleton, Mr. Stephen Lane, Mr. Peter Dorsey, Mr. Cap Willey, Ms. Janet Raymond, Mr. Mark Hayward, Mr. Richard DeRienzo, Mr. Anthony Rust, Mr. Earl Queenan, Mr. Steve Noack, Mr. Sean Esten, Mr. Christopher Cannata, Ms. Alexandra Pezzello and Ms. Stacy Farrell.

Absent subcommittee members: Ms. Cheryl Snead and Mr. Wayne Kezirian.

Mr. Singleton opened the meeting at 8:36 a.m. and asked Mr. Queenan to provide an update regarding the expected timeline for funding to arrive from the approved SSBCI application. Mr. Queenan reported that the funds were received by the Department of Administration. He stated the next step is to finalize memoranda of understanding ("MOU") between the Department of Administration and the Corporation, and between the Corporation and the Small Business Loan Fund Corporation ("SBLF"), Slater Technology Fund ("Slater") and BetaSpring. Mr. Queenan noted that the first tranche of funds will be approximately \$4 million, which are allocated \$1.4 million to BetaSpring, \$1.2 million to Slater and \$1.5 million to the SBLF. He also noted that approximately \$130,000 will be used for administrative costs. Mr. Queenan reported that 80% of the initial tranche has to be out and being used for actual projects by the entities prior to the receipt of additional funds. Subcommittee members questioned what would occur if an entity underperformed and certain subcommittee members expressed concern regarding Slater's ability to implement the \$9 million within the 18 month timeframe. Mr. Queenan stated that, should any entity not perform as expected, the MOU will provide for the reallocation of the funds to the other two entities. Members of the subcommittee additionally discussed alternative entities that could be brought on as a partners, in the event that a non-performing entity would need to be replaced.

Members of the subcommittee raised concerns regarding to the criteria for projects funded and the ambiguity of the processes used by Slater to consider its applicants. Mr. Queenan confirmed that, once the funds were released to the respective

entities, the project approvals will be made by the respective entity's board of directors and that the Corporation cannot dictate those processes. Members of the subcommittee next discussed the use of the funds by the SBLF. Mr. Queenan stated that there are ongoing discussions regarding the incorporation of the Minority Investment Development Corporation ("MIDC") and The Urban Revitalization Fund ("TURF") into the SBLF, due to the fact that both MIDC and TURF are not currently operational but have lendable funds and Small Business Administration 7(a) authority, which could be used to leverage the SSBCI funds.

Mr. Singleton stated that the subcommittee could consider moving into closed session to discuss the current Job Creation Guaranty Program ("JCGP") application pipeline. Ms. Pezzello explained to the Board that if it wished to enter into a closed executive session to discuss a certain confidential information relating to JCGP applicants, the motion would be pursuant to the Open Meetings Act, R.I. Gen. Laws § 42-46-4, in order to discuss prospective businesses or industries locating in the State, under § 42-46-5(a)(6).

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

VOTED: That, pursuant to R.I. Gen. Laws § 42-46-4, the Open Meetings Act, the Subcommittee close the public session of this meeting and commence a closed session to consider Job Creation Guaranty Program applicants and possibly take action on such matters as permitted under § 42-46-5(a)(6) (prospective business or industry locating in the state of Rhode Island) of the Open Meetings Act.

Voting in favor of the foregoing were: Mr. Lane, Mr. Singleton, Mr. Dorsey, Mr. Willey, Ms. Raymond, Mr. Hayward, Mr. DeRienzo and Mr. Rust.

Voting against the foregoing were: None.

Members of the public were then asked to leave the boardroom for the closed session at 9:20 a.m.

The public session was reconvened at 9:43 a.m.

Mr. Singleton announced that during the executive session no votes were taken except to end the closed session and to resume the public session.

Upon a motion duly made by Mr. Dorsey and seconded by Mr. DeRienzo, the following vote was adopted:

VOTED: That, pursuant to Rhode Island General Laws § 42-46-4, § 42-46-5 and § 42-46-7, the Open Meetings Act, the minutes of the closed session shall not be made available to the public, except as to the

portions of such minutes as the Subcommittee ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Mr. Lane, Mr. Singleton, Mr. Dorsey, Mr. Willey, Ms. Raymond, Mr. Hayward, Mr. DeRienzo and Mr. Rust.

Voting against the foregoing were: None.

Mr. Lane indicated that he had a concerns with the JCGP application process, specifically the timeframe needed to complete a deal. Mr. Singleton asked that staff review this concern and present possible solutions at the next subcommittee meeting. Members of the subcommittee discussed the marketing of the JCGP, which is planned to include presentations to law firms and certified public accounting firms. Subcommittee members additionally suggested that a presentation regarding the JCGP be made to the Rhode Island Center for Innovation and Entrepreneurship ("RI-CIE").

The meeting was adjourned at 10:03 a.m., upon a motion duly made by Ms. Raymond and seconded by Mr. Hayward.