

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

DECEMBER 19, 2011

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, December 19, 2011, in Public Session, beginning at 5:00 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 Lincoln D. Chafee, Mr. J.L. Singleton, Mr. Jerauld Adams, Dr. Timothy Babineau, Dr. David Dooley, Mr. Stephen Lane, Mr. George Nee, Mr. Jack Templin, Ms. Cheryl Snead, Mr. Daniel Sullivan, Mr. Karl Wadensten and Mr. Stanley Weiss.

Director absent: Ms. Helena Foulkes.

Also present were: Executive Director Keith Stokes and Secretary David M. Gilden.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:05 p.m. He noted a recent article in the New York Times entitled "Providence Puts Focus on Making a Home for Knowledge", which highlighted Providence's Knowledge District and the new Brown University medical school.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON NOVEMBER 28, 2011

Upon motion duly made by Dr. Babineau and seconded by Mr. Wadensten, the following vote was adopted:

VOTED: To approve the Public Session Minutes of the meeting of November 28, 2011, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Singleton, Mr. Adams, Dr. Babineau, Dr. Dooley, Mr. Lane, Mr. Nee, Ms. Snead, Mr. Sullivan, Mr. Templin, Mr. Wadensten and Mr. Weiss.

Voting against the foregoing were: None.

3. EXECUTIVE DIRECTOR'S REPORT

A copy of the Executive Director's reported is attached hereto as **Exhibit A**. Mr. Stokes reported that the Corporation's senior staff held a retreat on December 9th regarding the continued realignment of the Corporation's programs, policies and budget with the Governor's and Board's areas of focus. He further reported that Governor Chafee signed an Executive Order establishing the America's Cup World Series Host Committee. He stated that America's Cup staff members have been making visits to the State. Mr. Stokes also reported that Good Jobs First ranked Rhode Island 8th in the nation for economic development standards overall. Mr. Stokes also reported that the Corporation is proceeding with the formation of a performance measurement workgroup for the Corporation's programs, which will consist of individuals from the Corporation, the Governor's office, Bryant University, University of Rhode Island, RIPEC and the State Department of Revenue, which will assist in developing standards of performance and measurements of success for the areas of focus. The workgroup will additionally develop metrics to assess return on investment of funds deployed by the Corporation.

Mr. Stokes reported that the Office of Regulatory Reform ("ORR") has issued its first quarterly report, which will be distributed to members of the General Assembly and made available on the Corporation's website (a copy of the report is attached hereto as **Exhibit B**). Mr. Stokes noted the contributions made by Mr. Wadensten and the Make It Easier to Do Business subcommittee in that regard. Mr. Wadensten noted the opportunity for ORR to help navigate the permitting hurdles for the Knowledge District and America's Cup.

4. PRESENTATION AND CONSIDERATION OF THE MEMORANDUM OF UNDERSTANDING BETWEEN RIEDC AND THE GREATER PROVIDENCE CHAMBER OF COMMERCE FOR THE FORMATION OF A PRIVATE/PUBLIC BUSINESS ATTRACTION PARTNERSHIP

Mr. Lane explained that the Business Attraction and Cultivation subcommittee of the Corporation had examined best practices and identified private-public partnerships for business attraction oriented initiatives to be a best practice in numerous states. He stated that the initial business attraction focus in Rhode Island should be on the Knowledge District, including on the opportunity for alliances with hospitals and universities. Mr. Lane stated that the intent is to get a three-year commitment from the Corporation and The Greater Providence Chamber of Commerce ("GPCC") to form a partnership and provide funding to hire a chief business attraction officer, support staff and resources to proactively target and attract businesses to the State. Ms. Laurie White, President of the GPCC, stated that the proposed memorandum of understanding ("MOU") between the GPCC and the Corporation marks the culmination of many years of work toward creating a private-public partnership for business marketing activities. She explained that a few years ago the GPCC commissioned a study of the State's

efforts to market the State externally. Ms. White reported that the study demonstrated a critical need to for an economic development and marketing program that engages various stakeholders and markets Rhode Island. She stated that that goal is to create a statewide attraction effort initially focused on Providence. Ms. White reported that the GPCC will commit \$250,000 to seed a private-public partnership initiative to address the issue.

Mr. Stokes thanked Mr. Lane and Ms. White for their efforts in this regard. He explained that there are many private-public partnership models throughout the country. The partnership that is proposed would be a Section 501(c)(3) tax exempt corporation with an initial board of directors appointed by the Corporation and GPCC that would hire a chief business attraction officer. Mr. Stokes stated that the Knowledge District would be the partnership's first focus. He reported that the Corporation would match the GPCC's \$250,000 initial contribution and that the authorization sought today would be to establish the partnership. Mr. Stokes explained that the difference between the function of the proposed partnership and the work of the Corporation is that the partnership would be focused on external business attraction and would complement the existing state, regional and municipal business programs and initiatives. He explained that full resources and a long-term sustainable private development team have never been dedicated to business attraction in this manner and Providence and the Knowledge District will be a starting point.

Mr. Stokes noted that the intent is for the private-public marketing and business attraction partnership to be a marketing lead for both the Knowledge District and the I-195 Redevelopment District, which was created to acquire, deploy and develop the I-195 surplus land. Dr. Babineau agreed that there is a great need to get the word out regarding the opportunities and possibilities in Providence; however, he questioned whether the funds committed would be enough and how much more would be needed in the future. Ms. White stated that the initial \$500,000 is intended to be "kick-off" funds and that fundraising in the private sector would be easier in the future once potential corporate supporters are more familiar with the entity and its work. Mr. Stokes stated that the Corporation's portion of the funds will come from the Corporation's fiscal year 2012 budget, based on the Corporation's realignment and redeployment of its funds based on the areas of focus. It was noted that the City of Providence would provide in-kind support. Ms. Snead commented that when her company qualifies as a foreign corporation doing business in other states she is sometimes contacted by the mayor of the particular city and the governor of that state in an attempt to have her relocate her company's headquarters to that state. She noted that such attraction efforts have included contact from her university alma mater. Ms. Snead noted the need for the State to tie in the Secretary of State's office and alumni associations' resources within the State in a similar fashion. Mr. Wadensten stated that virtually every other state already has an entity like this and that Rhode Island needs to not only create such an entity, but surpass what other states are doing.

Dr. Dooley noted that the State is unique due to the relationships between the Corporation, GPCC and its educational institutions, which possess vast connections

throughout the country. He suggested better utilization of such alumni connections. Mr. Lane agreed, noting that many national companies already have connections to the State's colleges and universities and that they need to capitalize on such relationships. Mr. Templin noted the need to consider creating an information technology infrastructure to help leverage such relationships. He stressed the need for the chief attraction officer to be either technologically savvy or mindful of the need for information technology to achieve these goals. (See **Exhibit C** for a copy of the PowerPoint presentation used during Mr. Lane, Ms. White and Mr. Stokes' presentation.)

Upon motion duly made by Dr. Babineau and seconded by Ms. Snead, the following vote was adopted:

VOTED: To authorize the Corporation to proceed with the formation of a private-public partnership with The Greater Providence Chamber of Commerce for the purposes set forth in the Memorandum of Understanding presented to the Board.

Voting in favor of the foregoing were: Mr. Singleton, Mr. Adams, Dr. Babineau, Dr. Dooley, Mr. Lane, Mr. Nee, Ms. Snead, Mr. Sullivan, Mr. Templin, Mr. Wadensten and Mr. Weiss.

Voting against the foregoing were: None.

5. PRESENTATION OF DRAFT RIEDC STRATEGIC ECONOMIC GROWTH PLAN

Ms. Judy Chong, the Corporation's director of communications, presented a PowerPoint presentation to the Board regarding the Corporation's strategic growth plan (see **Exhibit D**). She stated that the Corporation has outlined what has been accomplished in 2011 and the goals for the future for each of the areas of focus. With respect to business cultivation and attraction, Ms. Chong reported that the Governor has been serving as the State's chief attraction officer, and with the just-approved vote, the Corporation will move forward with the GPCC to hire a chief attraction officer. She reported that with respect to tourism the Governor has been meeting with the regional tourism districts monthly in order to determine a cohesive identity and plan, and that in the next several months the intent is to have a dedicated funding source to attempt to regain tourism market-share.

Ms. Chong further reported that in 2011, with respect to the Knowledge District and the creation of business-ready infrastructure hubs, the Governor led delegations on visits to Pittsburgh, Houston, and Baltimore to gain insight on best practices. Ms. Chong noted that in 2012 and in subsequent years, the intent is to accelerate marketing of the Knowledge District, along with the Warwick train station, including collaboration with the key stakeholders. With respect to making it easier to do business, accomplishments in 2011 included the hiring of a Director of the Office of Regulatory Reform ("ORR"), Ms. Leslie Taito, and the ORR's facilitation of the \$150 million Carnegie Abbey development

project. Going forward, they intend to help facilitate predictable and reliable regulatory and permitting processes. As to revitalizing and rebranding of the State's urban core, she reported that the Governor took walking tours with the mayors of each of the five focus cities and that Ms. Armeather Gibbs was hired as the Managing Director of Urban Finance & Development for the Corporation. Looking forward, the intent is to work closely with the subcommittee to create a legislative package and agenda to help enhance five focus communities. Lastly, with respect to access to capital, the Corporation adopted revised rules and regulations for the Job Creation Guaranty Program, including a \$5 million set aside for small business lending, strengthened the Corporation's underwriting and review procedures through the work of the subcommittee, and obtained \$13.1 million in federal funds for the State Small Business Credit Initiative ("SSBCI"). Going forward, the intent is to implement the SSBCI funds, maximize the Corporation's return of investment and create products or programs in collaboration with the business and lending community to fill the gaps in the State's capital continuum.

Ms. Chong stated that the Corporations' staff is seeking the Board's feedback regarding a cohesive brand identity for the Corporation. She further stated that subcommittee chairs would receive materials for their respective areas of focus to review for inclusion in the strategic economic growth plan. Ms. Chong stated that they intend to adopt the plan and implement materials relating to the plan in the Corporation's public outreach by early 2012. She additionally noted that revamping the Corporation's website is also part of the Corporation's strategic growth plan.

There being no further business in Public Session, the meeting was adjourned at 6:03 p.m., upon motion made by Mr. Nee and seconded by Mr. Adams.

David M. Gilden, Secretary