

# RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

## MEETING OF DIRECTORS

### PUBLIC SESSION

MARCH 26, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, March 26, 2012, 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, Ms. Helena Foulkes, Mr. J.L. Singleton, Mr. Jerauld Adams, Dr. Timothy Babineau, Dr. David Dooley, Mr. Stephen Lane, Mr. George Nee, Mr. Jack Templin, Mr. Karl Wadensten, and Mr. Stanley Weiss.

Directors absent were: Ms. Cheryl Snead and Mr. Daniel Sullivan.

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 5:03 p.m. He reported that the Warwick City Council had recently dropped a lawsuit in opposition to the T.F. Green Airport runway expansion. Governor Chafee stated that the runway expansion will allow a realization of the investment in the Airport, including its connection to Amtrak train service, and he noted that People Express and JetBlue have expressed interest in initiating service to the Airport. Governor Chafee further reported that proceeds of bonds approved by voters in 2010 are being used to improve the former Shooters location in Providence, Rocky Point in Warwick and Fort Adams in Newport, and the latter will be important for the upcoming America's Cup World Series event.

#### **2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON FEBRUARY 27, 2012**

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

**VOTED:** To approve the Public Session Minutes of the meeting of February 27, 2012, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Ms. Foulkes, Mr. Singleton, Mr. Adams, Dr. Babineau, Dr. Dooley, Mr. Lane, Mr. Nee, 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 wished the Governor a "Happy Birthday" on behalf of the Board. He reported that the Governor's office and the Corporation have held a number of community outreach forums and have additional forums scheduled. Mr. Stokes stated that the forums have been useful tools for the Corporation to learn the critical needs of the communities and small businesses. He reported that Partridge Snow & Hahn LLP had recently conducted a seminar for all Corporation employees on the topics of confidentiality, the Code of Ethics, the Open Meetings Act, Access to Public Records Act and electronic communications. Mr. Stokes distributed to the Board a copy of the "Beautiful Rhode Island" tourism guide (see **Exhibit B**) that was developed by the Corporation's Tourism Division, led by Mark Brodeur, which was completely self-funded through advertisements and which highlights upcoming events in the State. Mr. Stokes reported that the Corporation has been working with the Governor's policy office to provide testimony to the legislature on legislation that would reinstate a version of the former project status program, as well as other parts of the Governor's fiscal year 2013 budget.

Mr. Stokes reported that the planning activities for the America's Cup World Series ("ACWS") event are continuing under the direction of Brad Read and the ACWS Host Committee, and its subcommittees. He reported that there are approximately \$1 million in improvements being made to Fort Adams, which are scheduled to be completed by mid-May, and that temporary cranes and docks will also be brought in for the event. Mr. Stokes stated that one hundred or more containers containing the ACWS boats and equipment are scheduled to arrive at Quonset on approximately June 1. He stated that a comprehensive logistics and transportation program is being developed, which will include satellite parking, shuttle bus and water shuttle services in and around downtown Newport. He additionally noted that there will be an Ocean Exploration Center sponsored by the University of Rhode Island School of Oceanography. Mr. Stokes reported that 12 international teams will be competing and the final race will be aired nationally on NBC stations, which will provide a tremendous marketing exposure for the State.

Mr. Stokes reported that the Corporation has been working with large scale companies and the Governor's Policy Office to examine ways to mitigate the high cost of electricity within the State through efficiency and renewable energy initiatives. He stated that they examining co-generation programs for large industrial companies. Mr.

Stokes noted that such policies would give large industrial energy users ways to reduce their costs, become more competitive and stay and grow within the State.

**4. CONSIDERATION OF AN INDUCEMENT RESOLUTION FOR THE ISSUANCE OF BONDS FOR THE FISCAL YEAR 2013 AIRPORT PROJECT**

Mr. Antonio Afonso Jr., bond counsel to the Corporation, presented an Inducement Resolution relating to the Fiscal Year 2013 bonds for the Rhode Island Airport Corporation to finance various capital projects at T.F. Green Airport. He explained that the resolution starts the clock for tax purposes for amounts that can be reimbursed from the proposed tax-exempt bond proceeds. Mr. Afonso noted that, as with other bond issuances, the final approval of the issuance of the bonds would come before the Board at a later date.

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

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

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

Voting against the foregoing were: None.

**5. CONSIDERATION OF AN INDUCEMENT RESOLUTION FOR THE ISSUANCE OF TAX-EXEMPT BONDS FOR THE FOUNDATION FOR TRINITY REPERTORY COMPANY**

Mr. Afonso presented an Inducement Resolution for the issuance of approximately \$4.9 million in tax-exempt bonds for the Foundation for Trinity Repertory Company (the "Foundation"). He reported that the proposed issuance of bonds for the Foundation is similar to other 501(c)(3) bond issuances and that the bonds would be paid from revenues of the Foundation. Ms. Foulkes recused herself from consideration of the matter, due to her husband's position as a member of the Board of Trustees of Trinity Repertory.

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

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

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

Voting against the foregoing were: None.

Director recused was: Ms. Foulkes.

**5. PRESENTATION AND CONSIDERATION OF RECOMMENDATIONS  
BY THE MAKE IT EASIER TO DO BUSINESS SUBCOMMITTEE AND  
THE OFFICE OF REGULATORY REFORM**

Mr. Wadensten reported that the Make It Easier to Do Business subcommittee of has been working with Leslie Taito, Director of Regulatory and Quality Management, and other Corporation staff members, on regulatory reform issues within the State. Mr. Wadensten introduced Ms. Taito, who commended Mr. Wadensten and the subcommittee for their work. She stated that the goal of the subcommittee is to create a clear, predictable and reliable system for businesses to operate within while growing n or relocating to the State. Ms. Taito explained that the 2010 Regulatory Reform Act created the Office of Regulatory Reform (“ORR”), which is currently evaluating the current regulations in place and their impact on businesses. She reported that Sherri Carrera, the Corporation’s small business ombudsman, reviews new rules and regulations and provides feedback on how such rules and regulations impact the business community. Ms. Taito noted that the ORR is also focusing on establishing the key points of contact within each State agency to help businesses through the regulatory process if or when they are stuck. She reported that the goal is to not only address State regulations, but also provide and facilitate consistency on the city and town level.

Ms. Taito reported that many cities and towns are allowing the ORR to review their systems and to identify best practices. She reported that, at the most recent Make It Easier to Do Business subcommittee meeting, which held just prior to the Board meeting, the subcommittee received a presentation from the Town of North Kingstown on how they have improved their building permitting processes. Ms. Taito stated that the goal is to have cities and towns learn from one another and for the State to become the best place for companies to do business. Mr. Wadensten reported that North Kingstown building department has reduced its computer system costs, while simultaneously drastically reducing permitting time by creating a system which allows frequent permitting entities to apply for certain permits online. Ms. Taito reported that in 2012 all current State regulations were required to be re-filed and the ORR is taking this opportunity to systematically review the regulations. She stated that regulations with three or more guidance or bulletin issuances should be reviewed for lack of clarity. Ms. Taito reported that the ORR is also currently tracking timelines for the issuance of various permits. She stated that they are currently collecting data which will help the ORR to identify specific regulatory reform goals. Ms. Taito noted that the Governor’s community forums have been helpful in dissemination of information about the ORR and that the ORR is publishing its quarterly report online (see **Exhibit E**). The Governor and the other members of the Board commended Ms. Taito and Mr. Wadensten for their efforts in this regard.

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

**VOTED:** That the Corporation Board of Directors hereby approves the recommendations of the Make It Easier to Do Business Subcommittee and the Office of Regulatory Reform, as presented to the Board, and directs the Corporation to implement such recommendations.

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

Voting against the foregoing were: None.

**6. PRESENTATION AND CONSIDERATION OF RECOMMENDATIONS BY THE ACCESS TO CAPITAL SUBCOMMITTEE**

Mr. Earl Queenan, Managing Director of Financial Programs, was introduced by Mr. Singleton, a member of the Access to Capital Subcommittee. Mr. Queenan reported that with respect to the Job Creation Guaranty Program (“JCGP”) the rules and regulations are in place and the subcommittee has been working with Corporation staff to establish policies and procedures. He reported that there are currently 4 or 5 JCGP applications that are being vetted by Corporation staff and, to date, \$5.5 million has been guaranteed since the JCGP was realigned. Mr. Queenan reported that the Industrial-Recreational Building Authority (“IRBA”) has been continuing to close loans and that the Corporation has not incurred a loss from the program since its inception. With respect to the Small Business Loan Fund (“SBLF”), Mr. Queenan reported that it has received a portion of the State Small Business Credit Initiative (“SSBCI”) funds and is making loans using such funds. He stated that the other SSBCI participants, Betaspring and the Slater Technology Fund are also on track implementing the funds.

Mr. Queenan stated that the Corporation anticipates receiving more JCGP applications once the Corporation begins to market the program more extensively. He stated that initial marketing efforts were aimed at the banks and further marketing efforts will include presentations to attorneys and certified public accountants. Mr. Queenan reported that the Governor’s community forums have been successful opportunities to market the SBLF. Mr. Stokes noted that, with the Board’s approval, the Corporation will develop a marketing campaign around its credit programs. He further reported that the Corporation has been focusing efforts on business cultivation and has been working with the Greater Providence Chamber of Commerce in the private-public partnership on a business attraction strategy. Mr. Lane stressed the need to support cultivation of communities that come out of the State’s universities and to integrate venture capitalists in the State in order to bring the successful programs, such as RI-CIE and Betaspring, to the next level. Mr. Templin noted that \$250,000 to \$500,000 can create a significant

amount of leverage and clusters of small companies can create a buzz. While nothing that this can happen organically, he noted that it can use more fuel to do so. Governor Chafee noted the impact of the SSBCI funds, as well as the need to be deliberative. Mr. Queenan reported that with respect to the JCGP the subcommittee has reached a point of clarity on the parameters of the program and has developed a consistent message to deliver. Mr. Stokes reported that if the Board approves moving forward with the Access to Capital subcommittee's recommendations, staff would come back to the Board with specific capital credit programs to deploy and align to fill in the spaces on the continuum. Ms. Foulkes suggested that the Corporation review the progress of the deals that have closed thus far on a quarterly basis.

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

**VOTED:** That the Corporation Board of Directors hereby approves the recommendations of the Access to Capital Subcommittee, as presented to the Board, and directs the Corporation to implement such recommendations.

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

Voting against the foregoing were: None.

There being no further business in Public Session, the meeting was adjourned at 6:05 p.m., upon motion made by Ms. Foulkes and seconded by Mr. Singleton.

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David M. Gilden, Secretary