

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

JUNE 25, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, June 25, 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 **Exhibit A**, 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. Jack Templin, Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Cheryl Snead and Stanley Weiss.

Directors absent were: Dr. David Dooley, Mr. Daniel Sullivan, and Mr. George Nee. Also present were Deputy Director William J. Parsons, Thomas Carlotto, Jonathan Savage, Douglas Giron and René Pickett.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:00 P.M. indicating that a quorum was present. He indicated that 38 Studios was not on the agenda for the public session portion of the meeting and that the Board would be going into executive session.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON MAY 16, 2012 AND MAY 21, 2012.

Discussion was made to insert into the meeting minutes for May 21, 2012, the amount and/or percentage of public vs. private funds regarding the City of Providence Renewable Energy Fund application. A motion was made to approve the minutes as is, with the insertion of these figures. See **Exhibit B**.

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

VOTED: To approve the Public Session Minutes of the meeting of May 16, 2012 and May 21, 2012, as submitted to the Board of Directors with the insertion of the City of Providence Renewable Energy Fund application figures.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

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

VOTED: Motion is made pursuant to the Open Meetings Act, Rhode Island General Laws Section 42-46-4, to go into closed session in order to consider the approval of the Executive Session Minutes of the meetings of May 16, 2012 and May 21, 2012, as submitted to the Board of Directors, under Section 42-46-5(a)(2).

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

3. **CONSIDERATION OF RETENTION OF PROFESSIONALS IN RELATION TO 38 STUDIOS, LLC AND ANY TRANSACTIONS OR PROCEEDINGS RELATED THERETO.**

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

VOTED: Motion is made pursuant to the Open Meetings Act, Rhode Island General Laws Section 42-46-4, to go into closed session in order to consider the retention of professionals in relation to 38 Studios, LLC and any transactions of proceeding thereto, under Section 42-46-5(a)(2).

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None

Members of the Board, counsel and staff exited the boardroom for the closed session at 5:05 P.M.

The public session was reconvened at 6:13 P.M.

Upon a motion duly made by Mr. Adams and seconded by Mr. Weiss, 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 Board of Directors ratifies and reports in public session of this meeting.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

Mr. Carlotto stated that during executive session the Board deferred a vote on the approval of the May 16, 2012 and May 21, 2012 Executive Session Meeting Minutes until the next Board Meeting. He also indicated that Board unanimously voted to approve the retention of professionals to investigate and pursue claims in relation to the 38 Studios transactions.

4. **CONSIDERATION OF MATTERS COVERED IN EXECUTIVE DIRECTORS REPORT.**

Mr. Parsons submitted a written Executive Director's Report and asked if there were any questions regarding the matters covered in the report. See **Exhibit C.** There were no questions asked.

5. **CONSIDERATION OF THE FINAL APPROVAL OF THE ISSUANCE OF REVENUE BONDS FOR THE INTERSTATE 195 REDEVELOPMENT DISTRICT.**

Mr. Queenan indicated that before the Board was a resolution authorizing the issuance of the revenue bonds for the Route I-195 Redevelopment District. See **Exhibit D.** The Board would be authorizing bonds in the amount of \$42 million. He indicated that the bond had already been approved by the General Assembly. He also stated that the bonds shall mature within twenty (20) years and the interest rate shall not exceed eight (8) percent. He stated that the remaining loan documents would be put together by bond counsel should it be approved by the Board. He further reported that the Corporation was very close to receiving a final commitment letter from a bank with an interest rate of below two (2) percent.

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

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

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

6. CONSIDERATION OF THE FINAL APPROVAL OF THE ISSUANCE OF REVENUE BONDS FOR QUONSET DEVELOPMENT CORPORATION.

Mr. Queenan indicated the Quonset Development Corporation (“QDC”) is a subsidiary of the Corporation and needs the Corporation’s approval to borrow funds. He stated that QDC is requesting that the Board approve a resolution authorizing the issuance of \$7.5 million in revenue bonds so that QDC can perform maintenance dredging in the vicinity of the Davisville piers. See **Exhibit F**. He further stated that the resolution before the Board indicates that the bonds mature within ten (10) years and the average interest rate shall not exceed four (4) percent. He reported that QDC has locked in an interest rate of 2.7 percent with Washington Trust. Mr. Queenan stated that the QDC is looking to approve this resolution today because the project can only be done from October 15th – January 31st, the only time it is allowed to dredge the Bay for several reasons.

Steven King of QDC gave a presentation regarding the dredging project. See **Exhibit G**. He reported that the dredging would be completed by January 2013. Mr. Wadensten asked how the QDC expected to pay back the bond. Mr. King stated that the QDC would increase the tariff rate structure and receive additional rents from tenants.

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

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

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

7. CONSIDERATION OF THE STATUS UPDATE AND/OR FINAL APPROVAL OF THE TERM SHEET FOR THE PROPOSED TIGER II GRANT.

Mr. Queenan indicated that the Board had adopted a resolution a few months ago that the Corporation could take over for the City of Providence regarding the Tiger II Grant Project (the “Project”). He reported that a Term Sheet has been created which alleviates any fears that there would be a shortfall. He stated that before the Board is the approval of the issuance of the term sheet. See **Exhibit I**.

Attorney Allison Lane indicated to Board members that a copy of the Term Sheet had been provided in their materials and that she would be happy to address any questions that members might have. She reported that the Term Sheet was being sent to the United States Department of Transportation, Marine Administration ("MARAD") for its approval. She reported that the hope is to finalize the other necessary documents regarding this project in the coming weeks. Governor Chafee asked Providence Economic Development Director Jim Bennett why Providence wanted to transfer the project to the Corporation. Mr. Bennett indicated that Providence was having some financial issues and the Project is great for the State and is a job creation program.

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

VOTED: See text of vote at Exhibit J.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

8. CONSIDERATION OF THE RENEWABLE ENERGY FUND APPROVAL FOR SOLAR CANOPY, INC.

Mr. Queenan stated that the Board had approved a renewable energy project for Solar Canopy, Inc. ("Solar Canopy") in April for \$120,000 to develop a prototype of a solar canopy product. He indicated that as the project progressed, Solar Canopy realized it needed approximately \$27,000 more to complete the project. Mr. Queenan further reported that the Corporation met with Solar Canopy and indicated that Solar Canopy would need to put \$9,000 of equity towards the project. He stated that before the Board was a request to approve disbursing an additional \$18,000 from the Renewable Energy Fund to Solar Canopy to complete the project. See Exhibit K. Mr. Templin asked how the Board can be assured that there will be no additional costs. Mr. Queenan indicated that it is the tail end of the project, and Solar Canopy is also being required to put \$9,000 of equity into the project. Governor Chafee asked how much is paid into the Renewable Energy Fund. Mr. Queenan reported that it has been an average of \$2.4 million per year. Mr. Wadensten stated that this was the first time a company has returned and requested additional funds and he was concerned about setting a precedent. Mr. Queenan indicated that at the next Board meeting he would present a full summary of expenditures from the Renewable Energy Fund. Mr. Templin indicated that he agreed with Mr. Wadensten and that this application will not set a precedent for requesting additional funds.

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

VOTED: See text of vote at Exhibit L.

Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

9. **CHAIRMAN'S APPOINTMENTS TO THE BOARD AND THE CONSIDERATION OF ADDITIONAL APPOINTMENTS TO THE ACCESS TO CAPITAL SUBCOMMITTEE.**

Governor Chafee appointed Mr. Adams as Vice Chairman of the Board. Governor Chafee nominated Mr. Carlotto to serve as Secretary of the Board, and indicated that traditionally the Attorney for the Corporation serves as the Secretary. Governor Chafee also nominated Mr. Wadensten to serve as Treasurer of the Board.

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

VOTED: To approve the nominations for Mr. Carlotto as Secretary and Mr. Wadensten as Treasurer.

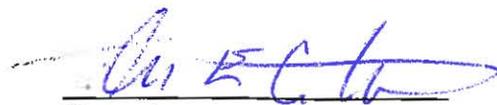
Voting in favor of the foregoing were: Mr. Templin, Mr. Adams, Mr. Wadensten, Mr. Weiss, and Ms. Snead.

Voting against the foregoing were: None.

Governor Chafee indicated that appointments to the Access to Capital Subcommittee were necessary. Mr. Weiss indicated that if Mr. Adams would be willing to serve as a subcommittee member, to assist Ms. Snead who is chairperson, he will also make himself available, because he is passionate about the topic. Mr. Weiss and Mr. Adams accepted appointments to the subcommittee.

Governor Chafee indicated that the business of the Board at this meeting was now completed, and that he hoped the Senate would reconvene to approve the nominations.

There being no further business in public session, the meeting was adjourned at 6:48 P.M., upon motion made by Mr. Adams and seconded by Mr. Weiss, which was unanimously approved.


Secretary