

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

**MEETING OF DIRECTORS**

**PUBLIC SESSION**

**AUGUST 27, 2012**

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, August 27, 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, Mr. Stanley Weiss and Mr. George Nee.

Directors absent were: Dr. David Dooley, Ms. Cheryl Snead and Mr. Daniel Sullivan. Also present were Deputy Director William J. Parsons, Thomas Carlotto, Jonathan Savage, Douglas Giron and Christel Donnelly.

**1. CALL TO ORDER AND OPENING REMARKS**

Governor Chafee called the meeting to order at 5:02 P.M. indicating that a quorum was present. Governor Chafee commented that he had a recent visit to the Ocean House in Westerly, noting that it is a great asset to Rhode Island. He continued that tourism is very important to Rhode Island and having such a place in Watch Hill is important because Ocean House doubled the regional tourism income.

**2. FINAL APPROVAL OF THE JOB CREATION GUARANTY FINANCING APPLICATION FOR ENOW, INC.**

Governor Chafee introduced Earl Queenan for a presentation regarding the approval of the \$1 million Job Creation Guaranty Financing Application of eNow, Inc. Mr. Queenan noted that the deal was structured with a 7-year term, 2 years interest only, 5 years level principal and interest payments, interest rate at Libor plus 3.25, \$250,000 capital reserve set aside. Mr. Queenan noted that the Access to Capital Subcommittee approved the application with two abstentions. Mr. Queenan introduced Mr. Jeffrey Flath for a presentation regarding the company.

Mr. Flath began his presentation and stated that eNow is a renewable energy company specializing in renewable energy power supplies, particularly solar based. He

noted that their market is the transportation industry, heavy duty trucking. Mr. Flath explained that the market drivers for the business have been government regulations, noting that the government has begun to mandate reduction in greenhouse gas emissions, and one can imagine how much fuel heavy duty trucks generally use. eNow designs the components, has other companies manufacture the components, and assembles the components in house in Rhode Island. He explained that the truck can take power from the solar panels, as well as other sources in the truck, and store it in a battery storage system, so it can be used at later times such as with electric lift gates, refrigeration systems and no-idle HVAC. He noted that 48 states have no-idle laws making drivers subject to a fine between \$300 and \$10,000 for having the vehicle idle for longer than 3-5 minutes.

He explained that Arpin Van Lines has been using two of these systems with an average annual savings of \$6500 per truck in fuel costs. He noted that eNow has also been working with Stop & Shop and Navistar, and is in discussions with Coca-Cola. He stated that their marketing plan includes trade shows, government events, and internet options.

Mr. Flath explained the experience of the company. He noted team members have over 50 years of exceptional experience in the solar design and application field. He continued that one of the team members designed solar components for NASA, another team member has been involved in the actual manufacturing of solar panels, and that another team member designed the first 100% solar powered billboard in New York City.

In terms of jobs, Mr. Flath explained that the jobs coincide with the number of units they expect to convert with their product. For 2012 they estimate selling 54 units which would total 6 jobs. For 2013 they estimate converting 785 units and for the year 2016, they estimate converting 24,150 units. These expectations for units are based on converting 1% of the total market for their product. He explained that they plan to use the funds for continued research and development, creating a demonstration vehicle, marketing their products and for working capital.

Mr. Weiss asked about what patents they have and how not obtaining certain patents that would affect their projections. Mr. Flath explained that they have submitted provisional patents pending from August 2011, and have an 18-month period of time before they have to turn that into a utility patent so they can enhance their design. They believe that they are completely patentable products.

Mr. Weiss asked about who their competitors were. Mr. Flath responded that there are companies that have tried to install solar panels on RVs and has not heard much about them in the marketplace. He continued that in terms of no-idle, their competitors would be companies that install charging stations at truck stops and diesel driven auxiliary power units which provide standby electricity. So to his knowledge, there are no direct competitors.

Mr. Nee asked about the jobs they intended to create. Mr. Flath explained that the jobs would be assembly, purchasing, and sale jobs which would all be in Rhode Island because assembly of all the components takes place in Rhode Island, although they use other companies for installation.

Mr. Wadensten asked when the company was founded, and Mr. Flath responded 2011. Mr. Wadensten also asked what the average cost of the system is. Mr. Flath responded that it could range from \$4,500 to \$25,000 for a large system per truck with pay back estimate based on fuel savings of about 1-2 years and a life of 20 years.

Mr. Templin asked if they use someone else's cell. Mr. Flath explained that there is a lot of cell technology and they wanted to be able to include that in their products. Mr. Templin followed asking what about the panel is specific to the trucking industry. Mr. Flath explained that it is encapsulated in plastic not in glass, based on the trucking use. He continued that it has bypass control, allowing it to encounter shade and not completely turn off. The panels also have safety protection for the possibility of accidents, etc.

Mr. Wadensten asked about contingency plans and what would be necessary for rock bottom sales. Mr. Flath responded that their equity gets the company into 2014 and rock bottom for sales would need to be 2.4 million.

Mr. Queenan read a letter of support from the Town of West Warwick. He also indicated that the access to capital subcommittee has approved the application with two abstentions.

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

**VOTED:** To approve the Job Creation Guaranty financing application for eNow, Inc.

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

Voting against the foregoing were: None.

3. **TO RECEIVE A STATUS UPDATE CONCERNING THE INFRASTRUCTURE HUB**

Governor Chaffee introduced John Riendeau. Mr. Riendeau gave a presentation concerning RI Growth Centers. See **Exhibit B.** Mr. Riendeau explained that the Warwick Station is a growth center with 100 acres between TF Green Airport and Interlink that is mixed use. Mr. Riendeau noted the \$400,000 grant to market/brand the

development project. He continued that a working group consisting of City of Warwick Central R.I. Chamber of Commerce, RIEDC and the RIDOT are already working on the marketing of the district.

Mr. Riendeau explained that another growth center is Knowledge Providence which consists of 600 acres in Providence available for industrial commercial development. He continued that the I-195 Commission also has a Parks Plan under review. He explained that there was a "FAM" Tour in June that allowed national and international site consultants to view Rhode Island and its assets. Mr. Riendeau also discussed the Defense/Marine Industries at Aquidneck Island/Melville District and Quonset Business Park. He noted the surplus naval lands/buildings, the Melville fuel depot and the East Bay locations which are available for redevelopment. He continued that there are expansion opportunities available at the Quonset Business Park.

He discussed the financial services, insurance and real estate in Northern, RI, noting FM Global, Fidelity and Amica have high paying jobs and that there is property on Routes 116 and 7 available for development. He also noted the State's port assets in Providence, Davisville, Newport and Galilee. He continued that the next steps would be to develop and execute development and marketing plans.

**4. TO RECEIVE STATUS UPDATE CONCERNING THE INTERIM ORGANAZATIONAL CHART**

Mr. Parsons updated the Board regarding some interim organization changes that have been made, noting that the EDC has streamlined the organization into four basic units: the financial programs, business service programs, communications, operations, and office regulatory reform. See Exhibit C. Mr. Parsons also submitted his Executive Director's Report. See Exhibit D.

**5. APPROVAL OF THE MINUTES OF THE MEETING HELD ON JULY 23, 2012**

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

**VOTED:** To approve the Public Session Minutes of the meeting of July 23, 2012, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

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

**VOTED:** Motion is made pursuant to the Open Meetings Act, Rhode Island General Laws § 42-46-4, to go into closed session in order to consider the approval of the Executive Session Minutes of the meeting of July 23, 2012, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

Upon motion duly made by Mr. Adams and seconded by Mr. 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 formation of a litigation subcommittee in relation to 38 Studios, under Section 42-46-5(a)(2) or (4).

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

Voting against the foregoing were: None.

Members of the Board, counsel and staff entered into closed session at 6:23 P.M.

The public session was reconvened at 6:55 P.M.

Upon a motion duly made by Mr. Adams and seconded by Mr. Nee, 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 Mr. Nee.

Voting against the foregoing were: None

Mr. Carlotto stated that during executive session the Board unanimously voted to approve July 23, 2012 Executive Session Meeting Minutes. Mr. Carlotto also stated that the Board unanimously voted to approve the formation of a litigation subcommittee in relation to 38 Studios.

Governor Chafee indicated that the business of the Board at this meeting was now completed, and that he would entertain a motion to adjourn.

There being no further business in public session, the meeting was adjourned at 6:58 P.M., upon motion made by Mr. Nee and seconded by Mr. Weiss, which was unanimously approved.

  

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Secretary