

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

SEPTEMBER 24, 2012

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, September 24, 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, Ms. Cheryl Snead and Mr. George Nee.

Directors absent were: Dr. David Dooley and Mr. Daniel Sullivan. Also present were Deputy Director William J. Parsons, Thomas Carlotto, and René M. Pickett.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:07 P.M. indicating that a quorum was present. Governor Chafee commented that he was at the preview of the opening of the Sakonnet River Bridge. He noted that the bridge is being rebuilt because the previous bridge had not been properly maintained. Governor Chafee also noted that any revenues collected from the tolls would be under the authority of the Bridge and Turnpike Authority. He also commented that the Pawtucket Bridge is now open and, he is happy that we are improving our infrastructure.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON AUGUST 27, 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 August 27, 2012, as submitted to the Board of Directors.

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

Voting against the foregoing were: None.

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

VOTED: Motion is made pursuant to the Open Meetings Act, Rhode Island General Laws §§ 42-46-5(a)(2) or 42-46-5(a)(4), to go into closed session in order to consider the approval of the Executive Session Minutes of the meeting of August 27, 2012, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Templin, Ms. Snead, 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 5:13 P.M.

The public session was reconvened at 5:16 P.M.

Upon a motion duly made by Ms. Snead 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, Ms. Snead, 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 August 27, 2012 Executive Session Meeting Minutes.

3. EXECUTIVE DIRECTOR'S REPORT

Mr. Parsons submitted a written Executive Director's Report. See **Exhibit B**. Mr. Parsons indicated that Governor Chafee led the consultant familiarization tour and asked Governor Chafee if he wanted to comment. Governor Chafee stated that he saw an article in the New York Times regarding companies relocating from city centers, particularly Manhattan which quoted a particular consulting group. Governor Chafee indicated that he contacted the consulting firm regarding what Rhode Island has to offer

regarding relocation for companies. The Governor continued that three individuals from the consulting firm came to meet with him and it was a great success, with them noting that they were unaware of what Rhode Island had to offer. Mr. Parsons commented that the important point is to put Rhode Island on their radar screen. Mr. Parsons continued that the familiarization tours are great to put Rhode Island on the map and they do not cost a lot of money.

Mr. Parsons also noted that starting in October, the Corporation and the Business Services staff of the Department of Labor and Training (“DLT”) will plan regular joint meetings with companies in Rhode Island. He continued that DLT will assess the needs and services of these companies and coordinate them with the Corporation’s programs.

Mr. Parsons also indicated that approximately \$800,000 in grants are available through the Rhode Island Science and Technology Counsel which is looking for teams that focus on the impacts of climate change. He continued that proposals are preferred if the teams use research facilities located at Brown University or the University of Rhode Island.

4. **TO CONSIDER AND APPROVE AMENDMENTS TO THE RESOLUTION CONCERNING THE TRANSPORTATION GENERATING ECONOMIC RECOVERY GRANT (TIGER II GRANT) RELATIVE TO PROVPORT, INC.**

The Governor introduced Mr. Carlotto to discuss the TIGER II Grant. Mr. Carlotto stated that before the Board was a resolution authorizing amendments to a resolution previously approved in February. See **Exhibit C**. He continued that there were some technical changes that occurred in the structure of the deal. He noted that the Grant remains the same at \$10,500,000, but the match amount has increased to \$10,757,300. Mr. Carlotto continued that ProvPort, Inc. (“ProvPort”) will be making a cash infusion of \$2,757,300 and financing from Bank of America in the amount of \$8,000,000. He noted that the cranes will be purchased through a competitive bid process.

Mr. Weiss asked what is different between the prior approval and the approval before the Board today. Mr. Carlotto responded that the match amount needed to be increased to cover some increase in pricing, but the grant amount has remained the same.

Mr. Queenan stated that there has been a preliminary selection of a crane company. He also stated that there has been a selection of the design firm for the barges as well. He noted that it started as a program with 53% federal money and 47% of matched funds, but now it is 49% federal money and 51% of matched funds. Mr. Queenan explained that the cranes are below estimate but the bid regarding the barges could require additional funds depending on the location of the barges.

Mr. Nee asked what is the expected job creation or retention. Mr. Bruce Waters responded indicating that job retention is very important given that they employ approximately 1,500 people. He continued that with the new cranes he expects 400-500 new jobs to be created.

Mr. Carlotto also noted some additional changes. He indicated that originally ProvPort would be the owner of the cranes and barges but now the Corporation will own them for the term of the lease until the financing is paid, at which time the Corporation will tender them to ProvPort for nominal sum. He continued that ProvPort will be responsible for all federal reporting requirements and that there is an indemnification running to the Corporation from ProvPort in the event there is a default.

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

VOTED: That the Amendments to the Resolution concerning The Transportation Investments Generating Economic Recovery Grant II (TIGER II Grant) relative to ProvPort, Inc. are hereby approved pursuant to the terms of the Amendment to the Resolution of the Rhode Island Economic Development Corporation annexed hereto.

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

Voting against the foregoing were: None.

5. TO CONSIDER AND APPROVE AMENDMENTS TO THE RESOLUTION AUTHORIZING THE ISSUANCE OF REVENUE BONDS IN CONNECTION WITH THE I-195 REDEVELOPMENT DISTRICT PROJECT.

Mr. Carlotto stated that before the Board was a resolution to approve amendments to a previously approved resolution authorizing the issuance of the revenue bonds for the Route I-195 Redevelopment District. See **Exhibit D**. He indicated that there was a closing expected to take place at the end of the month but due to the complexity of the transaction, the I-195 Commission is seeking an extension until the end of the year to close the bond transaction. He continued that the other amendment is to add authorized signers to the resolution so that Mr. Parsons and Mr. Queenan are authorized to sign documents rather than requiring a Board member.

Mr. Nee asked if at a future meeting it would be possible to receive a report from the I-195 Commission.

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

VOTED: That the Amendments to the Resolution Authorizing Issuance of Revenue Bonds in connection with the I-195 Redevelopment District Project are hereby approved pursuant to the terms of the Resolution Extending the Closing Date for the Not More Than \$42,000,000 Rhode Island Economic Development Corporation Revenue Bonds (I-195 Redevelopment District Project, Series 2012)(Federally Taxable) annexed hereto.

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

Voting against the foregoing were: None.

6. TO CONSIDER AND APPROVE THE CORPORATION AUDIT CONDUCTED BY BRAVER, PC.

Mr. Queen introduced Debbie Mitchell to the Board and indicated that she is the appropriate person to address any questions concerning the audit. Ms. Mitchell indicated that the Board has received a draft audit. See **Exhibit E**. She continued that the Quonset audit report has been sent to the Auditor General for approval, and the Airport Corporation audit report has already been approved.

Mr. Wadensten asked if at some point someone could review the draft with him so that he is fulfilling his responsibilities as Treasurer. Ms. Mitchell responded that in the past when there is a full finance committee Braver has met with them to review the draft and go over any questions.

Mr. Paul McGreevy commented that the Governor's staff has worked with the Corporation staff and with Mr. Parsons and the draft appears in order. He continued that Board members still need to review it, and if they feel it is necessary they can table the vote, review it and vote at the October meeting. Mr. Queenan indicated that he would contact the Office of the Auditor General and explain that the vote has been tabled until the October meeting.

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

VOTED: To table the consideration and approval of the audit conducted by Braver, PC until the October Board Meeting.

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

Voting against the foregoing were: None.

7. TO CONSIDER AND APPROVE UPDATES TO THE CORPORATION TRAVEL POLICY.

Governor Chafee introduced Jeanine Lucia to address the Corporation's travel policy. Ms. Lucia indicated that the Corporation is making changes to its travel policy and she provided a redlined version of the exact changes. See **Exhibit F**. She also indicated that the Corporation's travel policy has not been updated in several years and the attempt is to align it with the State travel policy. Ms. Lucia gave a power point presentation regarding each proposed change. See **Exhibit G**.

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

VOTED: To approve the updates to the Rhode Island Economic Development Corporation Travel Policy.

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

Voting against the foregoing were: None.

8. TO RECEIVE AND DISCUSS A STATUS UPDATE CONCERNING QUONSET DEVELOPMENT CORPORATION.

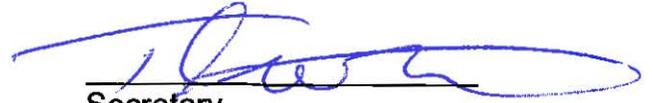
Mr. Steve King gave a power point presentation regarding the Quonset Business Park. See **Exhibit H**. He indicated that there are currently 168 companies which employ approximately 8,800 individuals. He continued that out of approximately 3,207 total acres of space, there are approximately 1,331 acres of developable land. Mr. King continued that Quonset cargo tends to be cargo that rolls on and off ships, stating this week alone they are discharging over 6,000 automobiles. He continued that the bond financing has closed related to the dredging and that the project will be starting in early October. Mr. King also noted that their TIGER Grant projects are 90% completed which involved improvements to both piers as well as rail improvements.

Ms. Snead commented that the improvements have been significant and she suggested that the October or November board meeting be scheduled at Quonset so the board can view the improvements.

Governor Chafee asked whether any of the Navy land is contemplated coming into state use. Mr. John Riendeu indicated that the Melvill Marine Partnership will approximately acquire 32 acres from the Navy and the partnership is proceeding very well.

Governor Chafee indicated that he would entertain a motion to adjourn.

There being no further business in public session, the meeting was adjourned at 6:33 P.M., upon motion made by Mr. Nee and seconded by Mr. Wadensten, which was unanimously approved.



Secretary