

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

JANUARY 28, 2013

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, January 28, 2013, 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, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

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

Also present were Deputy Director William J. Parsons, Jonathan Savage, Thomas Carlotto, and René Pickett.

1. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:03 P.M. indicating that a quorum was present.

2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON DECEMBER 17, 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 December 17, 2012, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jack Templin, Mr. Jerauld Adams, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

Voting against the foregoing were: None.

Governor Chafee noted that he recently introduced the budget which shows the State's priorities. He noted that he is proud that the State is again investing in infrastructure, cities and towns, workforce development and education. He stated that in last year's budget the State dedicated license fees to the Department of Transportation

("DOT") so that it would not be necessary to borrow money to get the 80% federal match. He noted that in November voters did not have to vote on a DOT bond issue, which also saved money on advocacy.

Mr. Nee stated that in workforce development Governor Chafee did an excellent job and complimented him as being a man of his priorities and his word. He continued that this is the first time the State is allocating job development funds to a very creative program that will involve apprenticeships, externships and work immersion that will help get people into the workforce.

Governor Chafee noted that for only the second time since August 2006 all five job indicators were positive. He continued that the unemployment numbers and the budget indicate that we are going in the right direction.

3. TO CONSIDER, AS MAY BE APPROPRIATE, MATTERS COVERED IN THE EXECUTIVE DIRECTOR'S REPORT.

Mr. Parsons indicated he wanted to introduce the new Chief of Staff John Pagliarini. He continued that Mr. Pagliarini comes with 30 years of public and private sector experience and will act as the liaison to the Governor's Office and the Legislature. Governor Chafee asked if there were any questions regarding the Executive Director's report. See **Exhibit B**

Mr. Nee asked if there could be some information given regarding the collaborative research project with the higher educational institutions. Governor Chafee responded that there is an organization that coordinates activity between the private colleges in Rhode Island, the Association of Independent Colleges and Universities of Rhode Island ("AICU"). He noted that AICU is looking for a way to be helpful to the State and came forward asking to help with research which was gladly accepted.

4. TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE I-195 REDEVELOPMENT COMMISSION.

Governor Chafee introduced Colin Kane to discuss a status update regarding the I-195 Redevelopment Commission (the "Commission"). See **Exhibit C**. Mr. Kane thanked the Governor for his support in the 2014 budget and previous years and the Corporation for its support over the past 15 months. Mr. Kane noted that the highway was built in 1950 and the intersection with Route 95 had become a terrible traffic jam where lots of accidents happened. He continued that there was recognition by DOT and Federal Highway Administration twenty five years ago that the intersection was a problem and that the bridges were falling apart.

He stated that Rhode Island relocated I-195 and did it well. He continued that what is left is a diverse 40 acres of property stretching from Wickenden Street to 95 North and South, approximately 1 linear mile. Mr. Kane noted that about 20 acres of that would be dedicated to roads, sidewalks and open space, and that the Commission was formed with the express purpose of economic development and maximizing the potential of these remaining 20 acres.

Mr. Kane continued that the Commission has fully permitted the site from an environmental, storm water perspective, which was more effective than doing it individually on each pad, and that it changed an inherited park design to one that is the most attractive downtown park urban setting on the East Coast.

He indicated that the Commission will likely take title in March of 2013, after which the streets will open up in the spring downtown and late summer on the East Side, with the goal to reconnect all the districts. He explained that the Commission spent a lot of time working with the utilities regarding this process and also that there is a public art committee for art to be included in the open space.

He continued that the focus is to create jobs, and although the market dictates what those jobs will be, the Commission will take direction from the Corporation and the State as to what jobs should be encouraged. He also stated there is a potential for \$8 billion dollars in investment, but the State needs to be able to compete regionally and nationally and market that way. He emphasized that the Commission has a very diverse set of holdings which will support a very diverse set of uses. With regards to infrastructure and utilities, he indicated there will be over \$45 million dollars in improvements in the next two-and-one-half years.

Mr. Weiss indicated that the Commission is properly laying out a foot print with improvements and utilities and then the lots will be developed from there. Governor Chafee asked about the marketing. Mr. Weiss commented that the national approach is the right way, not just the regional, and the focus should be on the uses.

Mr. Kane stated that a part of the mission is getting young, smart people into the State and keeping them. Mr. Weiss stated there needs to also be a focus on parking because without parking there will not be any tenants. Mr. Kane responded that as a State they have demonstrated an ability to build parking structures and we need to get better and recognize that it is a public utility. Mr. Weiss asked about the status of the pedestrian bridge. Mr. Kane responded that the pedestrian bridge is part of the two year time line.

Mr. Adams asked about the requirements for the development. Mr. Kane responded that the Commission has maximized the possibility for development. Mr. Templin complimented the progress thus far, but expressed his concern that the jewelry district could go sterile very quickly. He questioned the steps that the Commission is taking to ensure that it is a place that individuals and startups as well, can work, play and sleep. Mr. Kane responded that when the Commission is transacting it needs to determine ahead of time the desired outcomes, and make sure that happens. Dr. Dooley stated that the educational institutions are 100% on that side, wanting to build a place where students and potential partners want to be - live, eat and hang out.

Mr. Templin commented that he would like to see a bullet list of what start-up companies are already there. Mr. Kane responded that he is happy to come back and is thrilled to be working with the partners in the State.

5. TO CONSIDER THE FINAL APPROVAL OF THE ISSUANCE OF BONDS FOR THE I-195 REDEVELOPMENT DISTRICT.

Governor Chafee introduced Peter Johnson of Nixon Peabody for the approval of the bonds. Mr. Johnson introduced himself as bond counsel for the land purchase transaction. He stated that the Corporation has already approved the transaction last year, and before the Board is the request to extend the resolution that expired at the end of 2012 on its face. Mr. Johnson also noted that it was determined that this transaction can be done on a tax exempt basis which will result in some savings. He continued that as bond counsel, he viewed the Commission as related to the State in a sufficient way to look at where the proceeds are going for tax purposes. He stated that for tax purposes, the end use of the proceeds is to finance all the infrastructure, so the transaction can be done on a tax exempt basis.

Mr. Nee asked what the savings will be given this determination. Mr. Johnson responded that it would be about 15 basis points, which with rates being so low right now is about \$60,000 per year but these bonds will be outstanding for some time so the potential for savings is significant.

Mr. Adams asked if the authorization figure includes all the fees. Mr. Johnson responded that the State was receiving for all the land approximately \$42 million dollars. He noted that certain land was allowed by statute to be purchased by Johnson & Wales and has been deducted from the authorization figure. He also said the figure includes fees and some other capital expenses that the Commission has incurred. Mr. Adams also asked how the bonds are to be sold. Mr. Johnson responded that they are direct placement bonds and that it is expected that Sovereign Bank would be buying the bonds.

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

VOTED: To approve the issuance of the bonds pursuant to the terms of the Resolution, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jack Templin, Mr. Jerauld Adams, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

Voting against the foregoing were: None.

A copy of the Resolution is attached as **Exhibit D.**

6. TO CONSIDER THE APPOINTMENT OF J.R. PAGLIARINI TO THE BOARD OF DIRECTORS OF THE SMALL BUSINESS LOAN FUND CORPORATION

Mr. Parsons requested that the Board consider and approve the appointment of John Pagliarini to the Small Business Revolving Loan Fund Corporation Board of Directors. Mr. Parsons noted that Mr. Pagliarini would be replacing his seat, which he has occupied since 1990.

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

VOTED: To approve the appointment of John Pagliarini to the Small Business Revolving Loan Fund Corporation Board of Directors.

Voting in favor of the foregoing were: Mr. Jack Templin, Mr. Jerauld Adams, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

Voting against the foregoing were: None.

7. **TO DISCUSS ISSUES RELATED TO THE LITIGATION PENDING BEFORE THE PROVIDENCE SUPERIOR COURT KNOWN AS RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION V. WELLS FARGO SECURITIES, LLC, ET AL.**

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

VOTED: To enter into Executive Session.

Voting in favor of the foregoing were: Mr. Jack Templin, Mr. Jerauld Adams, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

Voting against the foregoing were: None.

Members of the Board, counsel and staff entered into closed session at 5:56 P.M.

The public session was reconvened at 6:29 P.M.

Mr. Carlotto stated that during executive session the Board voted to deny a request for indemnification made pursuant to Rhode Island General Laws Section 7-1.2-814. He noted that it was a majority vote without opposition.

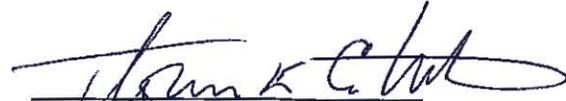
Upon a motion duly made by Mr. Weiss and seconded by Mr. Adams, the following vote was adopted:

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. Jack Templin, Mr. Jerauld Adams, Dr. David Dooley, Mr. Stanley Weiss, and Mr. George Nee.

Voting against the foregoing were: None.

There being no further business in public session, the meeting was adjourned at 6:29 P.M., upon motion made by Mr. Weiss and seconded by Mr. Templin, which was unanimously approved.



Secretary