

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION**

**MEETING OF DIRECTORS**

**PUBLIC SESSION**

**MARCH 4, 2013**

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, March 4, 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, Mr. Stanley Weiss, Mr. Karl Wadensten, Ms. Cheryl Snead and Mr. George Nee.

Directors absent were: Mr. Daniel Sullivan and Dr. David Dooley.

Also present were John J. Pagliarini, 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. Governor Chafee thanked Ms. Snead and Mr. Templin for attending and indicated that he was very grateful for their service. Ms. Snead stated that she would serve until the end of the month and will be attending the next meeting. Mr. Templin commented that he appreciated the opportunity to serve.

**2. APPROVAL OF THE MINUTES OF THE MEETING HELD ON JANUARY 28, 2012**

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

**VOTED:** To approve the Public Session Minutes of the meeting of January 28, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Karl Wadensten and Mr. George Nee.

Voting against the foregoing were: None.

Upon motion duly made by Mr. Adams and seconded by Mr. Weiss, 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 4, to go into closed session in order to consider the approval of the Executive Session Minutes of the meeting of January 28, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Karl Wadensten and Mr. George Nee.

Voting against the foregoing were: None.

Members of the Board, counsel and staff entered into closed session at 5:05 P.M.

The public session was reconvened at 5:26 P.M.

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

**VOTED:** That, 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: Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Karl Wadensten and Mr. George Nee.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session the Board unanimously voted to approve the Executive Session Minutes of the meeting of January 28, 2013.

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

Governor Chafee stated that Mr. Parsons has decided not to go forward with his nomination to serve as permanent Executive Director of the Corporation because of health reasons. He continued that he did have a heart blockage and was in the hospital. Governor Chafee noted that he visited him Saturday and he is doing well and that he is sending his thoughts and prayers to him. Governor Chafee introduced Chief of Staff John Pagliarini to discuss the Executive Director's Report. See **Exhibit B.**

Mr. Pagliarini stated that on January 31<sup>st</sup> the Corporation awarded contracts to the BETA Group, Inc., of Lincoln, R.I., and add(ventures) of Providence, R.I., in response to a Request for Proposals (RFP) for a market analysis and a branding and marketing plan for the Warwick Station Development District. He continued that on February 6<sup>th</sup> Governor Chafee, state leadership, Sail Newport and Volvo Ocean Race CEO announced that Newport will be the only North American stop for the 2014-2015 Volvo Ocean Race. Mr.

Pagliarini continued that on February 20<sup>th</sup> Governor Chafee and other state leaders announced the Fourth Economy and PolicyLink reports on Sustainable Communities at the Sustainable Rhode Island Consortium. Governor Chafee noted that the next stage of the federal grant for this program will be awarded shortly, and that Rhode Island is very fortunate to have received this large federal award and be able to continue this good work on economic development. Mr. Wadensten stated that it was nice that the hard work from other groups was not overlooked by the report, and that the report helped augment and clarify some questions.

Governor Chafee stated that it was an important step forward on the metrics to see the State fall into the single digits on unemployment. He continued that the December unemployment numbers were released recently and for the first time since November of 1998, all five indicators were positive for the month and for the year. He stated that he also likes to track revenue, and the revenue continues to exceed budgeted amounts on sales tax and on income tax. He noted that the metrics are on our side, with unemployment going down and revenues going up. He also noted that for the first time in memory no department came in over budget or asked for supplemental funding. Mr. Weiss commented that we have stabilized the State.

**4. TO CONSIDER AND APPROVE PARTICIPATION IN THE COLLEGE AND UNIVERSITY RESEARCH COLLABORATIVE ORGANIZED BY THE ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES OF RHODE ISLAND TO DEVELOP SUSTAINABLE ECONOMIC POLICY.**

Governor Chafee introduced Daniel Egan of the Association of Independent Colleges & Universities of Rhode Island to present in connection with the proposed grant to the College and University Research Collaborative (“Collaborative”). Mr. Egan stated that he had been talking with the Governor and staff for over a year about leveraging the resources of the colleges and universities in Rhode Island to influence government. He continued that the Rhode Island Foundation has made a \$100,000 commitment of funding for the Collaborative, which will deliver data transfer from the educational institutions to the policymakers more efficiently. Mr. Egan stated that Collaborative is designed to form stronger relationships between the college researchers and the policymakers and better connect people that might not know how to make that connection in government. He noted that the Collaborative is supported by the Rhode Island Foundation in its pilot phase which is intended to be a two-year phase. He noted that the Collaborative has full cooperation from the public partners, University of Rhode Island, Rhode Island College and CCRI, and is beginning to reach out to the Naval War College regarding what participation and contributions it can make.

Governor Chafee asked what Mr. Egan’s Association is called. Mr. Egan responded it is AICU, the Association of Independent Colleges and Universities of Rhode Island. Mr. Nee commented that it is important for the Board to know that AICU has been instrumental in working with the Governor’s workforce board in developing the internship programs. He stated that is an example of how the colleges have already “stepped up to the plate” and this program would be a continuation. Mr. Wadensten asked if the internship

program is for public or private sector. Mr. Nee responded that it is for both public and private sector.

Governor Chafee asked if there were any questions on the Memorandum of Understanding that is before the Board for approval. Mr. Wadensten asked if there was any funding by the Corporation. Mr. Carlotto responded there is a grant of funding by the Corporation of \$100,000 as set forth in the Memorandum of Understanding.

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

**VOTED:** To approve the Memorandum of Understanding with the Association of Independent Colleges and Universities of Rhode Island in relation to the College and University Research Collaborative and to authorize John Pagliarini to the execute the same.

Voting in favor of the foregoing were: Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Karl Wadensten and Mr. George Nee.

Voting against the foregoing were: None.

**5. TO CONSIDER AND APPROVE THE RETENTION OF A CONSULTANT BY THE RENEWABLE ENERGY FUND TO ASSIST WITH THE DEVELOPMENT OF THE RHODE ISLAND STATE ENERGY PLAN.**

Governor Chafee introduced Hannah Morini for a presentation on the State Energy Plan. See **Exhibit C**. Ms. Morini stated that she would be speaking about the State Energy Plan on which the Corporation has been working with the Office of Energy Resources (“OER”) under a Memorandum of Understanding to select a consultant for some of the more technical portions of the State Energy Plan. She noted that the request for proposal (“RFP”) for the consultant was released on December 21<sup>st</sup>. She continued that the RFP sought a consultant to identify and analyze a set of energy future scenarios that are consistent with Rhode Island’s future energy economy and synthesize findings into a technical report. Ms. Morini indicated that the Corporation received six proposals in total, ranging from \$110,000 to \$168,000. She noted there was a six-member review committee, with two individuals from the Corporation, two people from OER, one person from statewide planning and one person from DEIC. She noted that the proposals were scored based on certain criteria in the RFP and the committee interviewed four of the six applicants. She stated that the review committee would like to recommend Navigant Consulting as the consultant for the State Energy Plan whose proposal scored the highest in the initial review and post interview. She continued that their past experience is highly relevant to what we are trying to accomplish in Rhode Island and they have teamed with Aqua Energy which is a Rhode Island minority business enterprise located in Portsmouth.

Governor Chafee asked if Ms. Morini could address the role of the Renewable Energy Fund. Ms. Morini responded that the Renewable Energy Fund will be paying for the consultant. Mr. Wadensten asked if that fund was subsidized by National Grid.

Governor Chafee responded that all users pay into the Renewable Energy Fund through their usage bill. Mr. Nee asked if there was currently a State Energy Plan. Ms. Morini responded that there was one drafted in 2002 that needs updating and needs to be much more comprehensive. Mr. Wadensten asked where the company was located. Ms. Morini responded that Navigant is based in Massachusetts but liked that it is partnering with a designated consultant from Rhode Island. Mr. Wadensten asked if Navigant has done this work nationally for other states. Ms. Morini responded yes.

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

**VOTED:** To approve the Renewable Energy Fund's retention of Navigant Consulting to assist with the development of the Rhode Island State Energy Plan at a cost not to exceed \$140,000.

Voting in favor of the foregoing were: Ms. Cheryl Snead, Mr. Jack Templin, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Karl Wadensten and Mr. George Nee.

Voting against the foregoing were: None.

**6. TO RECEIVE AND DISCUSS A STATUS UPDATE CONCERNING THE EMERGENCY LOAN FUND FOR BUSINESSES AFFECTED BY HURRICANE SANDY**

Governor Chafee introduced Sean Esten for a status update on the Emergency Loan Fund. Mr. Esten indicated that Corporation staff went out to meet with businesses affected by the storm regarding loans. He stated that 19 companies requested applications for the emergency loan fund with only 9 companies actually applying. He continued that of the 9 applications received, 3 have been approved for a total of \$65,000 and have been closed. He stated that 2 are still under review pending additional information from the businesses, one was withdrawn because the business was able to receive funding from its bank, and two were declined for certain reasons. Mr. Esten stated that he felt the process was well done.

Ms. Snead asked what the feedback was from the business that requested applications but did not apply. Mr. Esten responded that some businesses determine that their needs were too large or when they spoke with the SBA or FEMA, they preferred longer term financing options with them. Mr. Wadensten asked what was the term or the loans. Mr. Esten responded that the Corporations term for this type of loan was 5 years and the SBA can go as long as 20 years. Mr. Wadensten asked what the rates for the loans were. Mr. Esten stated that the Corporation's rates are comparable to the SBA rates at 4% and lower. Mr. Nee asked what effort was made to let the community know about the availability of the loans. Mr. Esten responded that there were several press releases and staff went out visiting companies in the affected areas as well as set up information session in the local chambers.

**7. TO RECEIVE AND DISCUSS A STATUS UPDATE CONCERNING THE BROADBAND RHODE ISLAND PROGRAM**

Governor Chafee introduced Stuart Frieman for a status update on the Broadband Rhode Island Program (the “Program”). See **Exhibit D**. Mr. Frieman explained that Broadband commonly refers to high-speed Internet access that is always on and faster than the traditional dial-up access. He noted that access to Broadband can be wired or wireless. He noted that with dial-up it would have taken 10–30 minutes to download one song and over 28 hours to download a movie.

Mr. Frieman explained that Broadband is important to Rhode Island because of a certain statistic: “For every one-point increase in the percent of U.S. households with broadband, nearly 300,000 jobs will be added to the economy.” He noted that increased broadband adoption translates to a higher skilled workforce, better quality of life and access to opportunity.

He explained that the Program was established by an act of Congress in 2009 and the requirements to receive funding for the Program are 1) to collect RI broadband coverage data which is provided to a national broadband map and 2) to develop Broadband Rhode Island initiative to help inform state of issues related to broadband and promote digital literacy and broadband adoption to Rhode Island citizens. He noted that the Corporation is the designated entity for the \$4.5 million grant received with a term of five years.

Mr. Frieman explained that a new part of the project is to develop a nationwide broadband public safety network. He continued that in terms of ranking, Rhode Island ranks high, at or near the top, in broadband speed and coverage, but lower in adoption and e-Government. He noted that there are still sectors of the population based on economic issues or language issues that still lack access to broadband. He explained that 29% of Rhode Island adults do not use the Internet today and lack basic digital literacy skills to perform basic online functions, which is called the digital divide. He stated that to address this issue, citizens need a basic understanding of the internet and develop workforce skills and education online skills. He stated that the Program creates the basic training to allow citizens to learn these skills through the Digital Literacy Program. He continued that the future of the Program is to continue biannual broadband data collection efforts, to outsource and expand the BBRI Digital Literacy Program, to continue to advance State Broadband expertise, and to work with RI Emergency Management Agency and public safety community to implement Broadband Emergency Notification Project and provide assistance and leverage BBRI assets to support new Broadband Public Safety Network.

Mr. Weiss left the meeting at 6:20 PM.

Governor Chafee commented that the broadband coverage emphasizes that Rhode Island does well investing in infrastructure but now has to focus on improving the broadband adoption. It was noted that Rhode Island was the first state to create an Office of Digital Excellence with Thom Guertin as the new chief digital officer.

Ms. Snead commented that the 29% figure is very compelling and wondered if a fund similar to the Renewable Energy fund could be created to make improvements in access for Rhode Island citizens. Mr. Frieman responded that there is a program called Lifeline for telephone service access which is evolving for internet service.

Mr. Guertin was introduced and discussed the grant for new computers for the state fire marshal and buildings department. Mr. Guertin also noted that they are building a request for proposal to develop a state e-permitting process.

There being no further business in public session, the meeting was adjourned at 6:39 P.M., upon motion made by Mr. Adams and seconded by Mr. Wadensten, which was unanimously approved.

---

Secretary