

RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

MAY 20, 2013

The Board of Directors of the Rhode Island Economic Development Corporation (the "Corporation") met on Monday, May 20, 2013, in Public Session, beginning at 5:00 p.m., at the offices of the Rhode Island Airport Corporation, located at 200 Post Road, 2nd Floor Board Room, Warwick, 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 to Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Lincoln D. Chafee, Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. George Nee, Mr. Roland Fiore, Ms. Shannon E. Brawley, Dr. Nancy Carriuolo, Mr. Jason Kelly, Ms. Judith Diaz, Ms. Elizabeth Francis, and Mr. Tim Hebert.

Directors absent were: Mr. Karl Wadensten

Also present were: John R. Pagliarini, Thomas Carlotto, and Christel Donnelly.

1. WALKING TOUR OF T.F. GREEN AIRPORT AND CONNECTED INTERLINK FACILITY

At 4:16 p.m. the board undertook a tour of T.F. Green Airport and the connected Interlink facility. The tour ended at 4:52 p.m.

2. CALL TO ORDER AND OPENING REMARKS

Governor Chafee called the meeting to order at 5:00 p.m. indicating that a quorum was present. Governor Chafee thanked everyone for taking the tour of the airport and Interlink facility.

3. INTRODUCTION OF NEW MEMBERS OF THE BOARD OF DIRECTORS

Governor Chafee introduced and welcomed the new members of the board. Tim Hebert is the chairperson, president and CEO of Atrion Networking Corporation. Mr. Herbert stated that the confirmation process was an interesting and good experience. Elizabeth Francis is the Executive Director of the Rhode Island Council for the Humanities. Ms. Francis stated that confirmation process was a really interesting process. Ms. Judith Diaz is the director of community health services for Lifespan. Ms. Diaz thought the confirmation process was a wonderful process and she enjoyed it.

4. APPROVAL OF THE MINUTES OF THE MEETING HELD ON APRIL 22, 2013

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 April 22, 2013, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Adams, Mr. Weiss, Mr. Nee, Mr. Fiore, Ms. Brawley, Dr. Carriuolo, Mr. Kelly, Ms. Diaz, Ms. Francis, and Mr. Timothy Hebert.

Voting against the foregoing were: None.

5. EXECUTIVE DIRECTOR'S REPORT

Governor Chafee commented that there have been 10 consecutive months of decline in the unemployment rate for the State, which is now at 8.8%.

Governor Chafee introduced Chief of Staff John Pagliarini to discuss the Executive Director's Report. See **Exhibit B**. Mr. Pagliarini stated that the International Trade Team and Tourism Division, in collaboration with the John H. Chafee Center went to China and Hong Kong last month and had a very successful visit. The Chinese response to Rhode Island tourism was overwhelmingly positive and provides the State with an opportunity to promote Rhode Island to a major global market. The Tourism Division is working on 17 group travel itineraries to Rhode Island and has already booked a group for June.

Mr. Pagliarini continued that several weeks ago Governor Chafee and other state leaders traveled to Quonset Point to visit Toray Plastics to celebrate the launch of their new coding equipment that will enable the company to meet customer demand for industrial and packaging films made with advanced specialty layers. Toray will be adding 12 new jobs to accommodate the expansion and the company expects that the investment will ultimately create 20 new jobs.

Mr. Pagliarini stated that the Rhode Island Tourism Division hosted a luncheon at Twin River on May 8th. There were 320 guests in attendance, including Viola Davis, who was honored at the luncheon. Mr. Pagliarini concluded by saying Preventure Corporate Health & Wellness moved into a new 10,000 square foot facility in Coventry. From 2009 to 2012, Preventure experienced over a 200% increase in revenue, and they have more than doubled their workforce in the past three years, now employing 51 people.

6. TO CONSIDER FOR APPROVAL THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION ANNUAL PERFORMANCE REPORT

Governor Chafee introduced Mr. John Pagliarini to present the Rhode Island Economic Development Corporation Annual Performance Report. See **Exhibit C**. Governor Chafee noted that on page 6 the report indicates there was \$400,000 awarded to the Department of Transportation to help market the real estate in the Warwick Station Development District. Mr. Pagliarini stated that by state statute the EDC is required to present to the Governor, the President of the Senate, the Speaker of the House, and the Secretary of State within 11 months after the close of the fiscal year a complete and detailed financial report and performance report for the Rhode Island Economic Development Corporation. He continued that the draft report highlights the accomplishments that the Corporation has made over the past year. The report is required to be submitted by June 1st. Mr. Hebert commented that there are a lot of positives in the report. Mr. Kelly commented about page 7 of the report regarding the Rhode Island Port Assets. He stated that many in the commercial shipping industry are enthused with what they see as a new understanding among the public sector of the port assets and how underutilized they are.

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

VOTED: To approve the Rhode Island Economic Development Corporation Annual Performance Report as submitted to the board of directors.

Voting in favor of the foregoing were: Mr. Adams, Mr. Weiss, Mr. Nee, Mr. Fiore, Ms. Brawley, Dr. Carriuolo, Mr. Kelly, Ms. Diaz, Ms. Francis, and Mr. Hebert.

Voting against the foregoing were: None.

7. TO CONSIDER FOR APPROVAL A MODIFICATION OF THE LOAN AGREEMENT BETWEEN THE CORPORATE MARKETPLACE, INC. AND BRIDGE BANK

Governor Chafee introduced Sean Esten for a presentation on the proposed modification of the loan agreement between the Corporate Marketplace, Inc. and Bridge Bank. Mr. Esten introduced Chris Crawford to give a presentation on the Corporate Marketplace, Inc. See **Exhibit D**. Mr. Crawford stated that the Corporate Marketplace, Inc. ("TCMPi") has enjoyed tremendous growth in Rhode Island. TCMPi provides a wide variety of world re-known brands to the reward, recognition, incentive, loyalty management and corporate gift distribution channels. He continued that it's about a \$20 billion a year channel and TCMPi's technology is considered the leading technology in the field. Mr. Crawford continued that TCMPi has a customer base of over 1,000 corporations and has experienced a 60% revenue growth since 2009. Mr. Crawford stated that one of TCMPi's goals over the next year is to increase profitably to the

permit TCMPI to retire the EDC guaranty so that it can be redeployed to other companies.

Sean Esten requested that the board move into executive session.

Members of the board, counsel and staff entered into closed session at 5:25 P.M.

The public session reconvened at 5:59.

Upon motion duly made by Ms. Frances and seconded by Dr. Carriuolo, the following vote was adopted:

VOTED: That, the minutes of the executive 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. Adams, Mr. Weiss, Mr. Nee, Mr. Fiore, Ms. Brawley, Dr. Carriuolo, Mr. Kelly, Ms. Diaz, Ms. Francis, and Mr. Hebert.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session there was vote of the Board taken to approve a modification of a loan agreement between the Corporate Marketplace, Inc. and Bridge Bank pursuant to the resolution submitted to the board of directors.

8. TO CONSIDER FOR APPROVAL A RESOLUTION APPROVING THE TRANSFER OF PROPERTY TO TORAY PLASTICS

Governor Chafee introduced Peter Johnson from Nixon Peabody for a presentation on the transfer of property to Toray Plastics. Mr. Johnson stated that in 2005 Toray Plastics applied for bond financing from the EDC to support the purchase of land and construction of a building, and the purchase of machinery and equipment. In 2006 the EDC issued bonds in the amount of \$20 million dollars to purchase the land located in North Kingstown. He continued that pursuant to the Bill of Sale dated February 28, 2006 from Toray Plastics to the EDC, Toray Plastics conveyed the facilities, machinery and equipment to the EDC. Mr. Johnson stated that due to an oversight the facilities and premises were improperly described in the Bill of sale and the Lease Agreement but that it was clearly the intention to transfer the premises and facilities to Toray Plastic upon payment of the bonds in full. He further indicated that Toray Plastics has confirmed the accuracy of the description of the premises and the facilities and has repaid the bonds in full and wishes to purchase the facilities, machinery, equipment and premises.

Upon motion duly made by Mr. Weiss and seconded by Dr. Carriuolo, the

following vote was adopted:

VOTED: To approve the transfer of property to Toray Plastics pursuant to the Resolution submitted to the board of directors.

Voting in favor of the foregoing were: Mr. Adams, Mr. Weiss, Mr. Nee, Mr. Fiore, Ms. Brawley, Dr. Carriuolo, Mr. Kelly, Ms. Diaz, Ms. Francis, and Mr. Hebert.

Voting against the foregoing were: None.

9. **TO CONSIDER FOR APPROVAL A RENEWABLE ENERGY FUND COMMERCIAL SCALE DIRECT PROJECT FUNDING GRANT AWARD FOR THE RHODE ISLAND DEPARTMENT OF EDUCATION**

AND

10. **TO CONSIDER FOR APPROVAL A RENEWABLE ENERGY FUND PREDEVELOPMENT FEASIBILITY STUDY FORGIVABLE LOAN AWARD FOR NARRAGANSETT BAY COMMISSION**

Governor Chafee introduced Hannah Morini for a presentation on the Renewable Energy Fund (Agenda items 9 & 10). See **Exhibit E**. Ms. Morini stated that there are two projects up for awards. She continued that the Commercial Development Fund offers a 20% contract price grant to projects between 10kW and 50kW and there is \$1 million dedicated to the program this year. Ms. Morini stated the first project up for an award is the Paul W. Crowley East Bay Met School in Newport, RI. The school opened in 2006 and a new state of the art building is being built at the site. The school will be the first net zero energy consumption school in the state. She continued that the solar system at the site will be 41.76kW and the total project cost is \$256,580.00. The project will take about 18 months to complete and the students will begin to occupy the building in January 2014.

Ms. Morini stated that the second project is a Pre-Development Feasibility Study for the Narragansett Bay Commission. The Commission has two inactive landfills located at the Bucklin Point Wastewater Treatment Facility in East Providence, RI that it would like to use as a solar site. The study will assess the economic and physical feasibility of installing solar photovoltaic arrays on the landfills. Ms. Morini stated that the money will be awarded to the Commission as a \$25,000.00 forgivable loan. If the project is successful and they receive a contract with National Grid or are able to net meter the system, then when system goes online they will have a revenue stream to repay money back into the fund to give other entities the same opportunity.

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

VOTED: To approve a Renewable Energy Fund grant award to the Rhode Island Department of Education in the amount of \$53,170.00 and a forgivable loan to the Narragansett Bay Commission in the amount of \$25,000.00 and to authorize the Chief of Staff and Director of Financial Programs to negotiate and execute all necessary documents in connection with said funding.

Voting in favor of the foregoing were: Mr. Adams, Mr. Weiss, Mr. Nee, Mr. Fiore, Ms. Brawley, Dr. Carriuolo, and Mr. Kelly, Ms. Diaz, Ms. Francis, and Mr. Hebert.

Voting against the foregoing were: None.

11. TO RECEIVE AND DISCUSS A STATUS UPDATE REGARDING THE WARWICK STATION DEVELOPMENT DISTRICT MARKETING CAMPAIGN

Governor Chafee introduced John Riendeau to provide a status update on the Warwick Station Development District Marketing Campaign. See **Exhibit F**. Mr. Riendeau stated that the Warwick Station Development District Marketing Campaign received a \$400,000 grant from the Federal Highway Administration, with a \$100,000 in-kind match from RIDOT to begin the marketing project. He continued that the campaign has three objectives – establish a market analysis, create a cohesive brand identity, and establish a marketing plan and implementation schedule. Mr. Riendeau continued that the campaign, through its partners (City of Warwick and RIDOT) have performed outreach in the community and have held strategy sessions with government officials, business owners and the general public. The campaign is in the process of establishing a brand identity via a new name and brand logo development, and eventually developing marketing materials. Mr. Riendeau stated that the City of Warwick’s Master Plan includes 1.5 million square feet of commercial, hospitality, office and residential space available for use in the 95 acre area. He continued that Michael D’Ambra has secured permits to construct a multiuse facility on the D’Ambra property. Mr. Weiss asked if there has been a feasibility study done regarding the proposed 320 room hotel on the property. Mr. Riendeau responded that Mr. D’Ambra has performed some preliminary studies.

12. TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE SUSTAINABLE COMMUNITIES INITIATIVE

Governor Chafee introduced Kevin Flynn to provide a status update and give a presentation on the Sustainable Communities Initiative. See **Exhibit G**. Mr. Flynn stated that Rhode Island can’t continue to develop land as we have done in the past and needs to focus more on concentrated development. The State has done a great job conserving agriculture and open spaces but needs to do more. The Rhode Island Division of Planning can provide help and guidance to the 39 cities and towns regarding land use decisions. Mr. Flynn stated the Division of Planning has established a Urban Services Boundary to help direct resources that flow through its office. The Division of

Planning has a Sustainable Communities Regional Plan that is funded by a \$1.9 million grant from HUD and \$400,000 in matched funds and the outcome will be a regional plan for sustainable development. Mr. Flynn continued that the State already has up to date transportation, water, and land use plans but needs to update its economic and housing plans. The Sustainable Communities Initiative is trying to promote walkable, diverse communities that have a mix of land uses. The project has a three year timeline, with the first year focused on community engagement and a request for proposals. Mr. Flynn continued that two fulltime staff members and a consultant have been hired. Throughout the next year they will be working on the development of plans. The third year of the program will include plan adoption, capacity-building and plan adoption. The project will be completed by February 2015. Mr. Flynn stated that eight companies submitted proposals in response to the RFP and the Horsley Whitten Group was selected as the consultant and awarded a \$1.3 million grant.

Mr. Hebert left the meeting at 6:39 P.M. and returned at 6:41 P.M.

Mr. Flynn continued that studies done show Rhode Island is ranked third in quality of life, has broad health coverage and affordable housing relative to neighboring states but also has a challenging tax climate, low high school degree attainment and low homeownership rates. The project is beginning the process of developing one economic development vision with long-term strategies for Rhode Island and establishing a framework for future investments. Mr. Flynn stated the kickoff workshop is scheduled for Thursday and there will be regional meetings held in June, October, and February 2014. Dr. Carriuolo asked if the workshops and regional meetings being held will be advertised. Mr. Flynn responded that the workshops will be heavily promoted.

13. TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE RHODE ISLAND AIRPORT CORPORATION

Governor Chafee introduced Dr. Kathleen Hittner to provide a status update related to the Rhode Island Airport Corporation. Dr. Hittner introduced Brian Schattle to give an update on some of the key things happening at the airport. Mr. Schattle stated that the De-icer management system has been approved by the RI Clean Water Finance Agency. He continued that the runway 1634 safety improvement project has been scoped to stay completely in the airport and there will be no impacts to Airport Road. Mr. Schattle stated that the runway 532 extension project will extend the runway to 8700 feet and will solely impact the Main Avenue side of the airport. Governor Chafee asked what are the dollar amounts being invested in the projects. Mr. Schattle responded the De-icer project will cost somewhere in the mid \$30 million range, the runway safety project will cost approximately \$40 million and the runway extension project will cost approximately \$82 million. He continued that the De-icer project will be funded by federal grants and financing from the RI Clean Water Finance Agency through a bond financing. The runway safety project will be funded 75% through FAA grants and 25% through passenger facility charges. The runway extension project is being funded approximately by a \$50 million commitment through the FAA and the

remaining portion by the leveraging of bonds and future borrowing. Mr. Nee asked when the projects will start and how long they will take. Mr. Schattle responded that the projects will start this summer of 2013 and there will be construction through 2017.

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

Governor Chafee introduced Michael Walker for a status update from the I-195 Commission. Mr. Walker stated that Executive Director Jan Brody started today and she is working on getting ready for her first commission meeting and the 2014 fiscal year work plan. He continued that Colin Kane and representatives of the DEM and Fuss & O'Neil, Inc. attended and gave a presentation at the National Brownfields Conference in Atlanta, GA last week.

14. TO RECEIVE AND DISCUSS A STATUS UPDATE WITH RESPECT TO THE QUONSET DEVELOPMENT CORPORATION

Governor Chafee introduced Kevin Barry for a status update from the Quonset Development Corporation. Mr. Barry stated that in April, 14 ships came in and unloaded 15,800 cars at the port. He continued that Honda Car Corporation will start coming into the port and delivering 40,000 cars annually. Mr. Barry stated that the Ladd Water System in Exeter owned and managed by the QDC won best tasting water for the second year in a row.

There being no further business in Public Session, the meeting was adjourned at 7:02 p.m., upon motion made by Mr. Nee and seconded by Mr. Adams.

Thomas Carlotto, Secretary