

**RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION  
MEETING OF DIRECTORS  
PUBLIC SESSION**

**JULY 22, 2013**

**The Board of Directors of the Rhode Island Economic Development Corporation (the “Corporation”) met on Monday, July 22, 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 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. Jason Kelly, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Roland Fiore, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Ms. Shannon Brawley, and Mr. Karl Wadensten.**

**Directors absent were: Mr. George Nee and Ms. Judith Diaz.**

**Also present were: Marcel Valois, Thomas Carlotto, 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 the unemployment rate remains the same at 8.9%, but is down from 10.6% a year ago. Governor Chafee continued that the legislative**

**session has just concluded and there were big decisions made about payment of the 38 Studios loan, tolls on the Sakonnet River Bridge, and the reorganization of the EDC.**

## **2. APPROVAL OF THE PUBLIC AND EXECUTIVE SESSION MINUTES OF THE MEETING HELD ON JUNE 24, 2013**

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

**VOTED: To approve the Public and Executive Session Minutes of the meeting of June 24, 2013, as submitted to the Board of Directors.**

**Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley Weiss, Mr. Jason Kelly, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Roland Fiore, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Ms. Shannon Brawley, and Mr. Karl Wadensten.**

**Voting against the foregoing were: None.**

## **3. EXECUTIVE DIRECTOR'S REPORT**

**Governor Chafee introduced Executive Director Marcel Valois to discuss the Executive Director's Report. See Exhibit B. Mr. Valois stated that after talking with the members of the board he has assigned EDC staff members and board members to the various subcommittees of the board.**

**Mr. Valois introduced J.R. Pagliarini to give a presentation on the new**

legislation that passed in the recent legislative session. See Exhibit C. Mr. Pagliarini summarized the new legislation passed related to the EDC. Mr. Pagliarini stated that the first bill passed is R.I.G.L. §42-64 – Rhode Island Commerce Corporation, and it will change the name of the RIEDC to Rhode Island Commerce Corporation. The name change will be effective January 1, 2014 and all functions of RIEDC will transfer to the new corporation. Mr. Pagliarini continued that the second bill is R.I.G.L. §42-65.15-1 – Council of Economic Advisors Established, which creates a Council of Economic Advisors. The Council will have nine members and will develop a written comprehensive economic policy for the state and a strategic plan for implementing such policy. Mr. Pagliarini continued that the third bill, R.I.G.L. §42-64-39 – Business Development Center, establishes a new Business Development Center in the newly established Rhode Island Commerce Corporation. He stated that the fourth bill, R.I.G.L. §33-1.1-3 – Office of Management and Budget, creates the Rhode Island Economic Development Tax Credit Accountability Act of 2013 to provide an assessment of the state’s tax credit programs. Mr. Pagliarini stated that the fifth bill passed is R.I.G.L. §42-64.15-1 – Made in Rhode Island Manufacturing, creates the “Made in Rhode Island Manufacturing Collaborative of 2013” which would work with the Rhode Island manufacturing and creative community to promote the marketing of Rhode Island products. Mr. Pagliarini stated that the sixth bill is R.I.G.L. §42-64.15 – Long Term Economic Development. This act establishes a seventeen member Economic Development Planning Council to develop a written long-term economic

development vision and policy and strategic implementation plan. He continued that the seventh bill is R.I.G.L. §42-6.1-1- Governor's Commerce and Workforce Coordination Cabinet, which would establish a new Executive Office of Commerce to develop an integrated system of economic development activities in the state. The act would also create a secretary of commerce to be appointed by the governor, to administer the office of commerce and provide economic leadership for the state. Mr. Pagliarini stated that he will be working with staff, legal counsel and board members to make sure the EDC abides by all of the requirements.

Ms. Francis asked what the interrelationship between the council of economic advisors and the economic development planning council will be. Mr. Pagliarini responded that the role of the council of economic advisors, as it is worded in the act, is to develop a written, comprehensive economic development plan and a strategic plan for implementing such policy that will govern the State's decision making. The economic advisors will touch upon market trends, what's happening in the national economy, and emerging markets.

Mr. Weiss asked if there is going to be an amendment next year to the new legislation. Mr. Pagliarini responded possibly.

Mr. Valois introduced Mike Walker to give a presentation on the \$1.9M HUD Sustainable Communities Grant awarded to Statewide Planning in February 2012. See Exhibit D. Mr. Walker stated that Statewide

**Planning solicited proposals and selected Horsley Whitten Group to lead the effort. He continued that on July 2, 2013, the RIEDC convened a group of industry, academic, and government professionals to discuss the “intersections” that they see occurring today in Rhode Island’s economy. The group discussed the business collaboration occurring amongst traditional and non-traditional partners. Mr. Walker stated that the RIEDC is working with Statewide Planning and its consultant to convene focus groups of these industry intersections. Mr. Valois commented that over the next several months each of the focus groups will meet for further discussion and the information and ideas will be funneled to the Sustainable Communities.**

**Mr. Valois introduced Chris Cannata to give a presentation regarding the Client Relationship Management System (“CRM system”). See Exhibit E. Mr. Cannata stated that the Client Services Team aims to provide assistance to Rhode Island businesses, broaden awareness of RIEDC’s programs and services, and act as a liaison and business advocate by facilitating access to statewide resources. Mr. Cannata continued that a CRM system is a comprehensive software solution to support all aspects of relationship management. The CRM system provides the ability to implement and track key performance metrics and provides business retention and expansion analysis tools. Mr. Cannata continued that the CRM system improves response times to customer requests, increases efficiency and transparency, and measures activity against goals. The system maintains an accurate**

repository of all companies and contact information. Mr. Cannata stated the CRM system adds value to the RIEDC by providing effective portfolio management with a focus on exceptional customer service. Mr. Valois commented that he had asked Mr. Cannata and his team to prepare an RFP to identify the systems that specialize in economic development. The proposals will be discussed by the Making It Easier to Do Business Committee and then presented to the board for further discussion. Mr. Valois added that the board members on the Making It Easier to Do Business Committee are Tim Herbert, Karl Wadensten, George Nee and Roland Fiore.

Dr. Carriuolo suggested there be a point person that businesses can turn to when policies aren't working for them. Mr. Valois responded that the CRM system will help the EDC respond to those people immediately and effectively.

Mr. Adams asked what the cost of the CRM system will be. Mr. Valois responded that system will likely be in the \$50,000 - \$75,000 range.

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

Governor Chafee introduced Jan Brodie to provide a status report related to the

**I-195 Corporation. Ms. Brodie thanked Governor Chafee and the legislature for approving the budget for 2014.**

**Mr. Hebert left the meeting at 5:58 p.m.**

**Ms. Brodie also thanked Marcel Valois and the EDC for help with preparing and submitting the budget for 2014. Ms. Brodie continued that a frameworks RFP was sent out and the commission received thirteen proposals in response. Mr. Brodie stated that this proposal is meant to help the commission and developers work through to get to a systematic disposition process. Once the group is selected they will focus on the details of what goes into development. Ms Brodie stated that she will be working on permitting, parking solutions and best practices. She commented that this past week she traveled to New Haven, CT with some of the board members to observe the progress in developing the 10 acres that opened up when Route 34 was moved.**

**Mr. Hebert returned to the meeting at 6:00 p.m.**

**Ms. Brodie stated that I-195 Commission has an advantage because they are able to put a plan in place before receiving proposals, unlike in New Haven. Ms. Brodie continued that the construction on the west side of Providence is on schedule and everything is going as planned. Construction on the east side will begin by the end of the summer. Ms. Brodie also stated that the design of the park has**

begun and she will be meeting with the DOT and designers regarding the design of the west side, the east side and the bridge. Ms. Brodie continued that she expects the disposition/frameworks plan to be in place by the end of December and to be in a position to receive proposals. Mr. Weiss asked when the construction will be completed.

Ms. Brodie responded that it will be a 2 ½ year process and it was started in April. Ms. Donahue asked if the drawings done by the designers will be available for viewing. Ms. Brodie responded that they can make them available.

#### **5. TO CONSIDER FOR APPROVAL A RENEWABLE ENERGY FUND FORGIVABLE LOAN TO JAL HYDRO IN THE AMOUNT OF \$200,000.00**

Mr. Valois commented that EDC recently underwent an audit of its renewable energy fund covering the years 2008-2012. He continued that more controls were implemented in 2012 and different process presently exists in the program that will avoid any repeat of the issues identified in the audit. Mr. Valois noted that proposals presented to the board have been vetted by an interagency advisory committee and every project comes before the board for consideration. Mr. Valois stated that when there is a technology issue that the EDC staff does not fully understand, the EDC uses New England Energy Council to vet the technology aspect of the project.

Governor Chafee introduced Hannah Morini for a presentation on the Renewable

Energy Fund. See Exhibit F. Ms. Morini introduced Robert Cioe from

**JAL Hydro and Michael Kerr from New England Hydropower Company. Ms. Morini stated that the loan is for a pre-development study at the Natick Pond Dam for a hydropower project. The total project is anticipated to cost approximately \$1.5 million and the total predevelopment cost is anticipated to be \$475,000. She stated that the project owner is requesting \$200,000 from the renewable energy fund. Ms. Morini continued that JAL Hydro and New England Hydropower Company will use the loan to complete the required permitting, planning, and interconnection activities to build a 300 kW hydroelectric facility. Ms. Morini stated that the project will use a slow moving Archimedes Screw Generator to move water down the river with a low environmental impact. She noted that the Archimedes Screw has a very slow rotor speed so fish can swim through without being harmed and there is little erosion of the shoreline. Ms. Morini stated that pre-development feasibility study program only requires the project owner to contribute 25% of the project cost. In this case, the project owner is contributing over 50% of the project cost.**

**Mr. Weiss asked where in England this type of project has been done before. Ms. Morini responded that this technology has been used widely in the UK but that this is the first time the Archimedes Screw will be used in the United States. Mr. Kerr commented that the technology is used in the UK and is one of the best technologies in terms of impact on the environment. The technology works well in rivers due to its low turbidity. Mr. Kerr stated that his team has**

implemented this technology at over 30 sites in the UK. Mr. Weiss asked if there is a limit on how many screws can be put in a river. Mr. Kerr responded that at a big site you can probably put four in a series in a river. Mr. Kerr also stated that 300 kW will power about 250 homes annually. Mr. Wadensten asked what amount of power the same \$1.5 million investment gets from wind or a solar array. Mr. Kerr responded that is best compared in terms of capacity utilization. He indicated that capacity utilization for the proposed site will be about 55% whereas capacity utilization of solar in New England is 11%, the capacity utilization of off shore wind is in the mid 20%, and the capacity utilization of on shore wind is in the upper teens to 20%. Mr. Adams asked if the structure of the dam will be affected. Mr. Cioe responded that they are required to have divers inspect the structure of the dam on an annual basis to ensure the dam complies with current standards. Mr. Wadensten asked what the revenue model is. Mr. Cioe responded that they believe it will be between \$0.16 to \$0.18 per kW hour and 1.5 million kW per year and generate about \$250,000.

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

**VOTED:** To approve the Renewable Energy Fund forgivable loan to JAL Hydro in the amount of \$200,000.00, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Stanley

**Weiss, Mr. Jason Kelly, Mr. Tim Hebert, Ms. Elizabeth Francis, Mr. Roland Fiore, Ms. Maeve Donohue, Dr. Nancy Carriuolo, Ms. Shannon Brawley, and Mr. Karl Wadensten\*.**

**Voting against the foregoing were: None.**

**A copy of the Resolution is attached hereto as Exhibit G.**

**6. TO DISCUSS A CERTIFIED VENTURE CAPITAL PARTNERSHIP PROGRAM UNDER R.I. GEN. LAWS § 44-43-1, ET SEQ.**

**Governor Chafee stated that discussion of agenda item number 6 will be delayed.**

**There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:42 p.m., upon motion made by Mr. Adams and seconded by Mr. Wadensten.**