

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS PUBLIC SESSION SEPTEMBER 22, 2014

The Board of Directors of the Rhode Island Commerce Corporation (the "Corporation") met on Monday, September 22, 2014, in Public Session, beginning at 5:00 p.m. at the offices of the Corporation, located at 315 Iron Horse Way, Suite 101, Providence, RI 02908, pursuant to the notice of meeting to all Directors, and the public notice of 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. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Directors absent were: Mr. Tim Hebert, Mr. Jason Kelly, and Ms. Shannon Brawley.

Also present were: Marcel Valois and Thomas Carlotto.

1. **CALL TO ORDER AND OPENING REMARKS**

Governor Chafee called the meeting to order at 5:06 p.m. indicating that a quorum was present.

2. **TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETINGS HELD ON AUGUST 25, 2014 AND SEPTEMBER 3, 2014**

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

VOTED: To approve the Public Session Minutes for the meetings held on August 25, 2014 and September 3, 2014, as submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

Not present for the foregoing were: Ms. Judith Diaz.

3. EXECUTIVE DIRECTOR'S REPORT

Governor Chafee introduced Marcel Valois to discuss the Executive Director's Report. See Exhibit B. Mr. Valois stated that a detailed report was available in the Board Members' packages for review.

Ms. Judith Diaz arrived at 5:09 p.m.

Mr. Valois began his presentation by announcing that the State of Rhode Island was awarded a \$1.575 Million grant from the U.S. Department of Defense - Office of Economic Adjustment. He also lauded the Rhode Island Congressional Delegation and John Riendeau for their efforts in applying for and ultimately being awarded said grant. Mr. Valois then requested that Mr. Riendeau briefly discuss the grant and related project. Mr. Riendeau noted that the goals of the project are (i) to develop a program that allows defense-manufacturing companies to pursue an accelerated program of market transformation through intensive use of industrial design, engineering and innovation; and (ii) to create the information and linkages with resources that will serve defense manufacturers and our communities in limiting the impact of defense-related spending cuts and identify new opportunities for economic diversification. He then gave a brief overview of the anticipated implementation of the project and responded to various inquiries of the Board in connection therewith.

4. TO RECEIVE A STATUS UPDATE REGARDING THE RHODE ISLAND AIRPORT CORPORATION

Governor Chafee introduced Kelly Fredericks to give a presentation regarding the Rhode Island Airport Corporation ("RIAC"). Mr. Fredericks thanked the Board for the opportunity to provide them with an update on RIAC. He began his presentation by noting that on September 2, 2014, Governor Chafee along with Warwick Mayor Scott Avedisian, announced new non-stop service to Frankfurt, Germany from T.F. Green Airport beginning in June 2015. Mr. Fredericks continued that passenger numbers are down for the month of August as well as collectively for 2014. He indicated that the numbers were not a surprise and continued that RIAC is working on several matters to increase travel at T.F. Green Airport. Mr. Fredericks added that RIAC is focused on service to Texas and is actively working to increase flights to Houston and Dallas. Although passenger travel is down, Mr. Fredericks explained that cargo travel through T.F. Green is continually growing and increasing in volume. Mr. Nee inquired regarding the decline in passenger travel, to which Mr. Fredericks indicated that air travel capacity is at an all-time low and that passenger travel is down nationwide, not just locally. Mr. Fredericks added that RIAC is poised for a successful 2015.

Mr. Fredericks discussed how RIAC is working with both the Massachusetts Bay Transportation Authority and Amtrak on eight (8) additional rail shuttles from the City of Providence to T.F. Green Airport. In conclusion, Mr. Fredericks outlined various bond issues that RIAC is working on, which will be presented to the Board of Directors in greater detail at a later date.

5. **TO RECEIVE A STATUS UPDATE REGARDING RHODEMAP RI**

Governor Chafee introduced Kevin Flynn to update the Board of Directors on the status of the RhodeMap process. Mr. Flynn noted that a revised draft of the Economic Development Plan (the "Plan") has been distributed to the Board Members in advance of the meeting. He then briefly discussed the improvements to the same based on the prior comments from the Board Members. Mr. Flynn added that the Plan had been presented to the Technical Committee of the State Planning Council and will be presented to Social Equity Advisory Committee, the Government Consortium Committee and the full Statewide Planning Council during the business week beginning September 22, 2014. He indicated that Fourth Economy will be seeking approval of the full Statewide Planning Council to authorize public hearing with respect to the Plan. Once the time for public comment has passed, Fourth Economy will take the public input into account and ultimately prepare a finalized version of the Plan for approval.

6. **TO CONSIDER FOR APPROVAL THE ANNUAL AUDIT OF THE RHODE ISLAND COMMERCE CORPORATION COMPLETED BY LEFKOWITZ, GARFINKEL, CHAMPI & DERIENZO**

Governor Chafee called on Adam Quinlan to discuss the annual audit of the Rhode Island Commerce Corporation completed by Lefkowitz, Garfinkel, Champi & DeRienzo ("LGCD"). See **Exhibit C**. Mr. Quinlan directed the Board Members to the draft audit provided in the Board Package for discussion. He noted that there were no findings and that the total assets and total liabilities of the Corporation both increased for fiscal year 2014, resulting in a \$2.2 Million net position reduction as compared to 2013. Mr. Quinlan then introduced Stephen Geremia from LGCD to present a summary of the audit to the Board Members. Mr. Geremia walked the Board Members through the audit process and discussed the standards that are applied by LGCD. He also noted that the Corporation's audit findings are made a part of the State of Rhode Island Fiscal 2014 Annual Report. After discussing the particulars of the draft audit, Mr. Geremia discussed the procedure for the final approval and review of the audit by the auditor general and LGCD.

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

VOTED: To approve the annual audit of the Rhode Island Commerce Corporation completed by Lefkowitz, Garfinkel, Champi & DeRienzo, subject to the approval of the auditor general and Lefkowitz, Garfinkel, Champi & DeRienzo, as well as the comments of legal counsel.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

7. **TO CONSIDER FOR APPROVAL A TECHNOLOGY SERVICES CONTRACT**

Governor Chafee called on Marcel Valois to give the Board of Directors a presentation with regard a technology services contract. Mr. Valois noted that the Corporation is seeking approval of a \$318.40 contract with Atrion Networking Corporation in connection with the maintenance of the computerized telephone system, the only company to submit a bid in response to an RFP sent out by the Corporation. He continued that the matter is being brought before the Board of Directors to avoid any conflict of interest issues as the company is owned, at least in part, by Board Member Tim Hebert, who was not present for the meeting.

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

VOTED: To approve a technology services contract with Atrion Networking Corporation in an amount not to exceed \$318.40.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

Abstaining from the foregoing were: Dr. Carriuolo.

8. **TO CONSIDER FOR APPROVAL AN INVESTMENT IN THE SLATER TECHNOLOGY FUND FOR AN EARLY STAGE RENEWABLE ENERGY FUND**

Governor Chafee introduced William Ash for a presentation on an investment in the Slater Technology Fund for an Early Stage Renewable Energy Fund. See **Exhibit D**. Mr. Ash reminded the Board Members that he gave a brief presentation regarding the investment of Renewable Energy Fund ("REF") monies in the Slater Technology Fund for an Early Stage Renewable Energy Fund at the August Board Meeting. He added that the Corporation is seeking to invest up to \$3 Million in REF monies in the Slater Energy Fund, L.P. (the "Fund"), a to-be-formed limited partnership that is structured as a traditional, early stage venture capital fund, which will be seeking an additional approximately \$8 Million of committed capital from primarily Rhode Island-based investors. Mr. Ash also noted that the Board Members are currently approving early stage renewable grants from the REF and by investing in the Fund, they are relying on the Fund to invest in early stage renewable energy projects and companies. Board Members also serving on the Access to Capital Subcommittee indicated that they received a full report on the matter at their last meeting and supported the investment. Further, a representative of the Slater Technology Fund discussed the matter and responded to inquiries from the Board of Directors. In conclusion, Governor Chafee

added that the Access to Capital Subcommittee unanimously voted to recommend approval of the investment contemplated herein to the full Board of Directors.

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

VOTED: To approve an investment in the Slater Technology Fund for an Early Stage Renewable Energy Fund, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

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

9. **TO CONSIDER FOR APPROVAL A CONSULTING AGREEMENT FOR PROJECT MANAGEMENT SERVICES**

Governor Chafee called on Mr. Valois to give a presentation regarding a consulting agreement for project management services. Mr. Valois stated that at the beginning of 2014 the Corporation sent out an RFP for project management services. He indicated that there were ten entities that responded to the public submission process, with six awards issued. Ultimately, Mr. Valois indicated that the Corporation wishes to retain Fourth Economy to provide project management services in connection with the U.S. Department of Defense - Office of Economic Adjustment project more specifically addressed in the Executive Director's Report for an amount not to exceed \$225,000.00. Mr. Valois then discussed the expertise that Fourth Economy has in the area and also discussed their familiarity with the State of Rhode Island and the U.S. Department of Defense - Office of Economic Adjustment project.

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

VOTED: To approve a consulting agreement for project management services, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

A copy of the Resolution is attached hereto as Exhibit F.

10. **TO DISCUSS THE RENEWAL OF A LEASE FOR AN EXISTING TENANT OF THE RHODE ISLAND COMMERCE CORPORATION**

Mr. Valois then continued on to discuss the renewal of a lease for an existing tenant of the Corporation. Specifically, Mr. Valois noted that the Corporation leases land to Mulligan's Island golf facility in Cranston, Rhode Island. He indicated that Mulligan's Island is seeking a renewal of their current lease which expires at the end of 2014. To that end an appraisal of the property was completed and the same was valued at \$150,000.00, with a leased value of \$15,000.00 annually. He continued that Mulligan's Island is currently only paying \$13,500.00 annually, so a new lease would be a slight increase in revenue from the property. Finally, Mr. Valois indicated that the matter would formally be before the Board of Directors for approval at the October Board Meeting. Mr. Weiss requested a formal determination that the subject property is in fact land-locked and also requested a termination provision in any potential lease with Mulligan's Island to allow for the development of the property.

11. **TO CONSIDER FOR APPROVAL THE EXECUTIVE SESSION MINUTES FOR THE MEETINGS HELD ON AUGUST 25, 2014 AND SEPTEMBER 2, 2014**

12. **TO CONSIDER THE INVESTMENT OF PUBLIC FUNDS IN RELATION TO THE CORPORATE MARKETPLACE, INC.**

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

VOTED: To enter into executive session pursuant to Rhode Island General Law Section 42-46-5(a)(2), (4) and (7).

Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

Members of the board, counsel and staff entered into closed session at 6:07 p.m.

The public session reconvened at 6:32 p.m.

Upon motion duly made by Mr. Adams and seconded by Mr. Wadensten, 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.

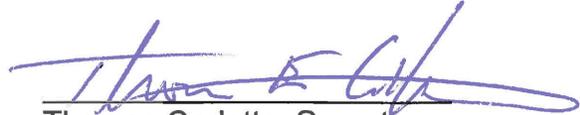
Voting in favor of the foregoing were: Mr. Jerauld Adams, Mr. Karl Wadensten, Ms. Judith Diaz, Mr. George Nee, Ms. Elizabeth Francis, Mr. Roland Fiore, Dr. Nancy Carriuolo, Mr. Stanley Weiss, and Ms. Maeve Donohue.

Voting against the foregoing were: None.

Mr. Carlotto stated that during the Executive Session there was a unanimous vote of the Board taken to approve the Executive Session minutes for the meetings held on August 25, 2014 and September 3, 2014 and that those minutes remain sealed.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:34 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Adams.



Thomas Carlotto, Secretary