

RHODE ISLAND COMMERCE CORPORATION

MEETING OF DIRECTORS

PUBLIC SESSION

The Board of Directors of the Rhode Island Commerce Corporation (the “Corporation”) met on December 21, 2015, 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 public notice of meeting, a copy of which is attached hereto as Exhibit A, as required by applicable Rhode Island law.

The following Directors were present and participated throughout the meeting as indicated: Governor Gina M. Raimondo, Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Ronald O’Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Directors absent were: None.

Also present were: Secretary of Commerce Stefan Pryor, Darin Early, Wade Gibson, Jeremy Licht and Thomas Carlotto.

1. CALL TO ORDER AND OPENING REMARKS

The Governor called the meeting to order at 5:03 p.m. indicating that a quorum was present.

2. TO CONSIDER FOR APPROVAL THE PUBLIC SESSION MINUTES FOR THE MEETING HELD ON NOVEMBER 23, 2015

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

VOTED: To approve the Public Session Minutes for the meeting held on November 23, 2015

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Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten..

Voting against the foregoing were: None.

3. TO CONSIDER FOR APPROVAL THE ISSUANCE OF BONDS IN RELATION TO A REFUNDING FOR THE PAWTUCKET YMCA

The Governor introduced Darin Early to discuss the issuance of bonds for the Pawtucket YMCA.

Mr. Early reminded the Directors that the Pawtucket YMCA had previously received preliminary approval to permit the refinancing of bonds. He explained that Santander Bank had issued a commitment to refund two series of bonds totaling approximately \$10 million. Mr. Early discussed the nature of the Corporation's role as a conduit issuer.

Mr. Buonnano inquired if the main purpose of the refunding was to take advantage of current rates and fix the cost of capital. Mr. Early indicated that there will be a savings to the YMCA and it allows them to fix the cost in relation to a majority of the borrowing.

Mr. Wadensten asked the approximate amount of savings. Mr. Carlotto introduced Steven Maceroni, the Corporation's financial advisor, to address the financial aspects of the transaction.

Mr. Maceroni explained that the refunding results in present value savings of over \$350,000 to the YMCA. He also indicated that there is a letter of credit connected to one of the issuances being refunded that expires in a year, which would require a refinancing. He noted that it made sense to complete the borrowing now while rates remained low.

Mr. O’Hanley arrived at 5:13 p.m.

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

VOTED: To approve the issuance of bonds for the benefit of the YMCA of Pawtucket, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Ronald O’Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: None.

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

4. TO CONSIDER FOR APPROVAL THE ISSUANCE OF BONDS IN RELATION TO A REFUNDING FOR THE RHODE ISLAND AIRPORT CORPORATION

Mr. Early discussed the Rhode Island Airport Corporation refunding and noted that it was a conduit issuance similar to the YMCA transaction.

Mr. Carlotto introduced, Brian Schattle of RIAC to discuss the savings accomplished by the refunding.

Mr. Schattle explained that the net present value savings would be approximately \$12 million.

Mr. Wadensten asked about the expansion at the airport and how this issuance will impact the project. Mr. Schattle indicated that the expansion is federally funded as well funded from passenger charges so that the refunding won't directly impact the project. Mr. Schattle explained that the refunding will have a positive financial impact on the airport and frees up capacity.

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

VOTED: To approve the issuance of bonds for the benefit of the Rhode Island Airport Corporation, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: None.

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

5. TO RECEIVE A QUARTERLY STATUS UPDATE IN RELATION TO THE RENEWABLE ENERGY FUND

The Governor introduced Annie Ratanasim to give a quarterly update on the Renewable Energy Fund.

Ms. Ratanasim gave a general background of the program and sources of funding. She went on to highlight transactions funded during the prior quarter and year to date funding of projects.

There was a dialogue between Board members and the finance team regarding the sources of revenue, annual amounts received and disbursed.

A copy of the REF presentation is attached hereto as Exhibit D.

6. TO RECEIVE AN UPDATE RELATIVE TO THE CORPORATION'S REVAMPED ORGANIZATIONAL STRUCTURE AND STAFFING.

Mr. Early gave an overview of the new organizational structure corporation identifying three distinct business lines across five verticals.

He opened the discussion of the business lines by addressing the client services team. Mr. Early explained that client services is the front of the line group directly interfacing with businesses. He noted that, among other things, they provide information on Corporation programs and assist businesses in relation to identifying resources as well as interfacing with other government agencies in connection with issues raised by businesses. He noted that they also have a data analytics function as well. Mr. Early explained that their interface is largely through direct contact with businesses and they have the advantage of gathering information and identifying issues in real time.

Ms. Sams asked are the client services group is fully staffed. Mr. Early indicated that the group is 90% staffed at this time. Ms. Sams also inquired about outreach to business groups. Mr. Early explained some of the efforts undertaken by Liz Tanner, EVP of Client Services, including interfacing with trade and other business groups.

Mr. Hebert noted that the Corporation has made significant advances in the client services area over the past year.

Mr. Early touched on the roles of the sales team and its business development function. The team is responsible for selling Rhode Island to both in state and out of state leads.

Mr. O'Hanley asked if this group would work with site selectors. Mr. Early indicated that it was part of their mission.

There was a dialogue among board members and Mr. Early regarding the roles of the team and staffing.

Mr. Early moved on to discuss the investment team, which is comprised of finance, equity and real estate professionals, which presently consists of five individual up from none a month ago. He also discussed the role of the finance team.

Mr. Early explained the business attraction function and the partners help build the new RI Brand.

Mr. Early concluded with a brief overview of the support structure including finance, administrative and support.

Dr. Carriuolo asked about the timing of the branding release and when board members would see the strategy. Mr. Early indicated that board members would be introduced to the strategy in the near term.

Ms. Sams noted that it is important to ensure the message addresses

misconceptions or deals with how people see Rhode Island such as the perspective of some that diversity in the state is not encouraged or supported. Mr. Early indicated that the strategy will be focused about maximizing the positive and dealing with the perceived negative that is not a reality.

Mr. McNally noted that an example of a positive is a report he recently read about the appointment of women in Rhode Island state government. The Governor indicated that approximately half of her appointments were women.

The Governor went on to discuss Havas and Epic Decade and their dedication to Rhode Island. She encouraged board members to reach out to Mr. Early and get involved with the efforts.

7. TO CONSIDER FOR APPROVAL PARTICIPANTS AND FUNDING IN REGARD TO THE P-TECH PROGRAM.

Mr. Wadensten and Mr. Hebert recused themselves from participation in this Agenda item.

Secretary Pryor gave a brief overview of the program and he introduced Mr. Gibson to discuss the agenda item.

Mr. Gibson explained that the request before the Board is the

approval of funding to three school districts, Providence, Westerly and Newport, to support a P-Tech program in each municipality. He discussed the purpose of the funding to pay for start-up expenses including the hiring of a vice principal of P-Tech in each district.

Mr. McNally asked about what happens beyond the funding provided by the Corporation. Mr. Gibson indicated that the expectation is that the school districts will assume program costs.

Ms. Toledo-Vickers asked where the teachers would come from. Mr. Gibson indicated that the existing teachers would staff the program and Ms. Golden noted that there would be some dedicated teachers such as for math and language arts.

Mr. Nee asked how many municipalities applied and Mr. Gibson explained that all municipalities were contacted. Mr. Gibson further explained that based upon expressions of interest those municipalities that wanted to be considered for the program were vetted.

Ms. Vickers asked about the teaching process. Ms. Golden explained that the program is based on the scope and sequence that will be developed over the coming months and the course work is prescribed by the nature of the degree. She noted that most of the participants in grades 9 to 12 will be taking the same course work together.

Mr. O’hanley asked if the programs would be strictly prescribed for each district and Ms. Golden indicated that would be the case. He also asked if there would be information sharing amongst the districts. Ms. Golden explained that not only would information be shared locally but it is also shared on a national level among state programs.

Mr. Buonanno asked if there was a risk that a school district would not fund in the out years. Ms. Golden explained that Dan Sutton of the Corporation would be on each district’s steering committee to identify potential issues. She noted that this is really a different and possibly better way to do high school.

Upon motion duly made by Ms. Toledo-Vickers and seconded by Ms. Kaplan, the following vote was adopted:

VOTED: To approve participants and funding in regard to the P-Tech Program, pursuant to the Resolution submitted to the Board of Directors.

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Ronald O’Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: None.

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

8. TO CONSIDER FOR APPROVAL CERTAIN POLICIES AND PROCEDURES IN RELATION TO ONE OR MORE OF THE CORPORATION'S INCENTIVE PROGRAMS

Mr. Pryor introduced Jesse Saglio, Head of Investments, and Luke Pickett, Managing Director of Investments to discuss the principles before the Board for consideration.

Mr. Saglio began by summarizing the Qualified Jobs Tax Credit principles. He then explained the process by which the principles will be applied to applicants and each step in the process.

Mr. Hebert asked how the process would be staffed and reviewed. Mr. Saglio explained that a proposal is first reviewed by staff and then staff make a recommendation to Mr. Early and Secretary Pryor.

The Governor noted that the Investment Committee of the Board will review each of the applicants and make a recommendation for consideration before it comes to the Board.

Mr. McNally indicated that there is limited risk on the job creation issue for the Qualified Jobs Tax Credit program as it is easily

measured and a company won't get paid if they don't create the jobs. He noted that the Committee and staff focused on the potential issues to identify an potential ability to game the system by applicants.

Mr. Buonanno discussed the but for test of the statutory scheme, which he noted is a useful tool and the program is well designed. He also commented on the experience and depth of the Corporation's investment team.

Mr. Pickett next outlined the principles for the Rebuild Tax Credit Program.

He explained the process for review and approval of applications, which will include consideration by the Investment Committee.

The Governor asked Secretary Pryor to touch upon applications for the programs to date. Secretary Pryor gave a summary of the number of applicants and noted the diversity of potential projects. There was a dialogue between board members and the Secretary regarding the program going forward.

Upon motion duly made by Mr. O'Hanley and seconded by Ms. Toledo-Vickers, the following vote was adopted:

VOTED: To approve the Application Review and Evaluation Principles for the Rebuild Rhode Island Tax Credit and Qualified Jobs Incentive

Tax Credit as presented to the Board..

Voting in favor of the foregoing were: Bernard V. Buonanno III, Dr. Nancy Carriuolo, Tim Hebert, Mary Jo Kaplan, Jason Kelly, Mary Lovejoy, Michael F. McNally, George Nee, Ronald O'Hanley, Donna M. Sams, Vanessa Toledo-Vickers, and Karl Wadensten.

Voting against the foregoing were: None.

A copy of the Application Review and Evaluation Principles for the Rebuild Rhode Island Tax Credit and Qualified Jobs Incentive Tax Credit attached hereto as Exhibit F.

Vote to Adjourn.

There being no further business in Public Session, the meeting was adjourned by unanimous consent at 6:30 p.m., upon motion made by Mr. Wadensten and seconded by Mr. Buonanno.

Thomas Carlotto, Secretary