

BOARD OF DIRECTORS
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, March 24, 2014

A regular meeting of the **Board of Directors of Connecticut Innovations, Incorporated** (the "Board") was held on March 24, 2014 at the Connecticut Science Center, 250 Columbus Boulevard, Hartford, CT 06103.

1. Call to Order: Noting the presence of a quorum, Mr. Cantor, Chairperson of the Board, called the regular meeting to order at 9:34 a.m. Participating: Christopher Bandecchi; Karen Buffkin, Office of Policy and Management; Michael Cantor; Mun Choi; Gail Coppage, Board of Regents of Higher Education; Alan Greene; Joseph Kaliko (by phone); Richard Mulready; John Olsen; Alex Pencu (by phone); Rafael Santiago; Christine Shaw, State Treasurer's Office; Catherine Smith, Commissioner of the Department of Economic and Community Development; and Christopher Swift.

Absent: Paul Pescatello; and David Siegel.

Staff Attending: Heidi Bieber, Joe Casparino, Jeremy Crisp, Michael Driscoll, Amy Hourigan, Suzanne Kaswan, Leslie Larson, Claire Leonardi, Peter Longo, Shelly Mondo, Pauline Murphy, Antonio Roberto, Phil Siuta, Glendowlyn Thames, Linda Wieleba, Carrie Collins White, and Dave Wurzer.

Others Present: Scott Murphy, Shipman & Goodwin; and Eric Taylor, Harris Beach.

2. Approval of Minutes:

Mr. Cantor asked the members of the Board to consider the minutes from the February 11, 2014 meeting.

Upon a motion made by Mr. Olsen, seconded by Mr. Mulready, the Board members voted in favor of adopting the minutes from the February 11, 2014 meeting as presented (Ms. Shaw abstained from the vote, and Ms. Buffkin was not present for the vote).

3. Updates:**a. *Eli Whitney Investment Committee ("Investment Committee"):***

Mr. Longo provided an update on the venture activities since the last Board meeting. He reviewed the amount approved, total investments and the dispositions. Mr. Longo mentioned that funding of approximately \$1,600,000 in 13 companies has leveraged approximately \$6,200,000 of private capital.

b. *Loan Committee:*

Ms. Wieleba reviewed the loan approvals since the last meeting. She discussed the loan approved for Wesson Energy, Inc., Waterbury that will help to preserve 80 jobs in Connecticut and Rol-Vac Limited Partnership in Dayville that will help to preserve 28 jobs in Connecticut.

c. *Small Business Innovation:*

Ms. Collins White discussed the transition of the CTNext Program into the Small Business Innovation ("SBI") department. She explained the benefits of moving CTNext into SBI. Ms. Collins White talked about the success of the first Entrepreneur Innovation Awards event held on February 27 and noted the significant interest for the next event that will be held on April 2. She indicated that the launching of the new Website and rebranding occurred on February 27. Ms. Collins White reviewed some of the activities and accomplishments that have occurred in the program, including 6 Entrepreneurs in Residence providing advisory support, 6 co-working spaces and 9 special projects focused on skills' development and outreach. In response to a question, Ms. Collins White discussed each of the 6 co-working spaces, noting that each location has a different character and/or focus. Also, there was a question regarding if the CTNext program had been fully transitioned to CI, and this was confirmed yes by Ms. Collins White.

4. Action Items:**a. *Tax Incremental Financing—Approval of the Issuance and Sale of State of Connecticut General Fund Obligation Bonds Issued by Connecticut Innovations, Incorporated in an Amount Not to Exceed \$22,000,000 Pursuant to Tax Incremental Financing (TIF) Legislation (Sec 32-285) to Construct a Bass Pro Retail Facility and related Site Improvements in Steel Point, Bridgeport, CT.***

Mr. Roberto introduced Mr. Taylor from Harris Beach, CI's bond counsel related to financing to Steel Point to construct a Bass Pro retail facility and site improvements in Bridgeport. He reviewed the approvals received to date with

respect to the transaction and noted the approvals pending, including Board approval for the sale and issuance of bonds, the State Treasurer's final approval of the sale and issuance of bonds. Mr. Roberto reviewed the anticipated traffic in the area and noted the advantages of the location. He talked about the background of the Bass Pro retailer and provided highlights of the proposed development in Bridgeport. Mr. Roberto reviewed the investments to date, including the State of Connecticut investment for the land acquisition and infrastructure preparation, the Federal TIGER grant for infrastructure improvements, the RCI Marine Group investment and legislation allowing for state financing. He explained the TIF financing and noted that TIF has been utilized five times in the last 20 years for projects such as Lake Compounce, Comcast Theatre, Oakdale Theatre, Dodd Stadium and Cabela's.

Mr. Roberto explained the assumptions made by CI that resulted in the recommended \$22,000,000 TIF. He summarized the TIF study and discussed the results of the investment according to DECD's REMI model. Mr. Roberto reviewed the conditions of the financial assistance agreement. It was mentioned that the lease requires Bass Pro to complete the project on or before October 1, 2015. In response to a question, Mr. Roberto stated that there will be a performance guarantee to ensure the completion and opening. Mr. Roberto summarized the resolution to be considered by the Board. He indicated that CI has no financial obligation, and this transaction will not be on CI's balance sheet.

Mr. Roberto confirmed that none of the bond proceeds will be used to reimburse the developer's \$15 million investment made to date.

A discussion ensued on the activity planned for the area and it was noted that housing in the area is critical. Mr. Taylor stated that the bond should be sold in April, and the closing will occur two to three weeks following the sale. Mr. Roberto and Ms. Lawrence were thanked for their efforts in bringing the deal to fruition.

Upon a motion made by Ms. Smith, seconded by Mr. Greene, Connecticut Innovations Incorporated ("CI"), at a duly called meeting held March 24, 2014, a quorum being present, voted to approve the attached Supplemental Bond Resolution concerning the issuance and sale of State of Connecticut General Fund Obligation Bonds, 2014 Series A, for the benefit of Bridgeport Landing Development LLC and BLD Parcel I Owner, LLC, ("The Company") in an Aggregate Amount Not to Exceed \$22,000,000 Pursuant to Tax Incremental Financing (TIF) Legislation (Sec 32-285), the proceeds of which will be used to help finance the construction of a not less than 140,000 sq. ft. Bass Pro destination retail facility and related site improvements at Steel Point Harbor in Bridgeport, CT (Mr. Kaliko was not present for the vote).

5. **Chairman's Remarks:**

Mr. Cantor mentioned that there are some committee vacancies that will need to be filled. He indicated that a discussion will be held at the retreat about the structure of the committees and options to get the Board more involved.

6. **CEO Report:**

Ms. Leonardi provided an update on proposed legislation affecting CI. She reported on a bill to allow CI to provide supplemental preseed funding under the Preseed Financing Program of up to \$200,000 for eligible applicants. Ms. Leonardi provided an update on "An Act Concerning the Regenerative Medicine Research Fund" that renames and transfers all oversight of the current Stem Cell Research Fund to the CI and extends funding. She mentioned that staff is in the process of suggesting changes to the proposed legislation. Ms. Leonardi mentioned that efforts are being made to extend the angel investment tax credit for two years.

Mr. Leonardi reminded the Board members that Annual Statements of Financial Interests are due by May 1, 2014.

7. **Other Business:**

"CI Handbook Changes"

Ms. Kaswan reviewed proposed changes to the CI Handbook including changes to the Whistleblower Policy, updates to the Social Media Policy, updates to the Information Technology Policy, changes to the CI and CEFIA joint sick leave bank, updates to emergency procedures and revisions to the vacation carryover policy. She mentioned that proposed changes were reviewed by the Finance, Operations and Compensation Committee and recommended for consideration by the Board. In response to a question, it was noted that the changes have been reviewed by CEFIA's General Counsel, and some are consistent with other quasi-public agencies. Ms. Kaswan clarified that most other quasi-public agencies do not have sick-leave banks. She stated that CHFA allows the donation of sick leave on an as needed basis but does not have a sink bank like CI. In response to a comment, Ms. Kaswan explained the rationale for the details in Information Technology Policy.

Upon a motion made by Mr. Choi, seconded by Mr. Mulready, the Board members voted unanimously in favor of accepting the proposed changes to the CI Handbook.

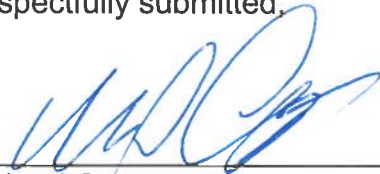
“Job Specifications and Revisions”

Ms. Kaswan discussed the establishment of a new job specification for the Director of Public Relations and a revision of the job specification for the Executive Vice President and Chief Investment Officer. In response to a question, Ms. Kaswan indicated that the job specification for the Director of Public Relations redefines the roles of what is being done by an existing employee.

Upon a motion made by Mr. Choi, seconded by Ms. Shaw, the Board members voted unanimously in favor of approving the new job specification for the Director of Public Relations and the revised job specification for the Executive Vice President and Chief Investment Officer.

8. **Adjournment:** Upon a motion made by Mr. Mulready, seconded by Mr. Choi, the Board voted unanimously in favor of adjourning the March 24, 2014 regular meeting at 10:46 a.m.

Respectfully submitted,



Michael Cantor
Chairperson of CI