

LOAN COMMITTEE
of Connecticut Innovations, Incorporated
Minutes – Regular Meeting
Monday, July 29, 2013

A regular meeting of the **Loan Committee of Connecticut Innovations, Incorporated** (the “Loan Committee”) was held on July 29, 2013, at the office of Connecticut Innovations, Inc., 865 Brook Street, Rocky Hill, CT.

1. Call to Order: The meeting was called to order at 8:30 a.m. Loan Committee members present: Michael Cantor (by phone); Richard Mulready; Stephen Nocera (by phone); John Olsen (by phone); David Siegel (by phone); and Catherine Smith, Commissioner, Department of Economic & Community Development (by phone).

Staff present: Karin Lawrence, Claire Leonardi, Peter Longo, Shelly Mondo, Ted Murphy, Megana Patel, Sandra Rizzo, Tony Roberto, Doug Twele, and Linda Wieleba.

2. Appointment of Chairperson:

Mr. Longo indicated the need to appoint a new chairperson, and Mr. Cantor nominated Mr. Mulready as Chairperson of the Loan Committee.

Upon a motion made by Mr. Cantor, seconded by Ms. Smith, the Loan Committee members voted in favor of electing Richard Mulready as Chairperson of the Loan Committee effective immediately, July 29, 2013 (Mr. Mulready abstained from the vote).

3. Approval of Minutes:

Mr. Mulready asked the Loan Committee members to consider the minutes of the June 24, 2013 meeting and the amended minutes from the March 25, 2013 meeting. Staff explained that the amendment to the March 25, 2013 minutes is because the resolution for Alexion Pharmaceuticals does not correctly reflect the resolution that was adopted by the Board on March 25, 2013.

Upon a motion made by Ms. Smith, seconded by Mr. Siegel, the Loan Committee members voted unanimously in favor of adopting the minutes of the June 24, 2013 meeting as presented and the amended minutes from the March 25, 2013 meeting.

4. Discussion Items:

Ms. Leonardi reviewed the following loans approved by staff since the last Loan Committee meeting:

- TABS, LLC, New Milford, \$7,200 under the Technology Talent Bridge
- Skystream Markets, \$11,925 under the Technology Talent Bridge

In response to a question, Ms. Leonardi mentioned that Skystream is located in Stamford. The Loan Committee members asked that the town/city be listed in the report.

Ms. Leonardi noted that in accordance with legislation, CI staff is authorized to approve loans under \$150,000.

5. Items for Action:

CONNECTICUT SALES AND USE TAX RELIEF PROGRAM

- Approval of a Sales and Use Tax Exemption in an Amount Not to Exceed \$1,225,000 to Benefit 777 Main Street LLC, Fairfield, CT for Revitalization in Hartford, CT.

Ms. Lawrence described the request by 777 Main Street LLC for a \$1,225,000 sales tax exemption on the conversion of a vacant office tower into a mixed-use real estate development of approximately 285 multifamily units (both affordable and market rate), retail, office and parking at 777 Main Street, Hartford. A discussion ensued on the sources of funding, and it was noted that most of the funding, with the exception of the federal historic tax credits, has been resolved. Questions arose regarding the amount of the developer's fee. Ms. Smith indicated that she will follow-up on the issue because it was her understanding that the developer's fee is capped and a portion is deferred. A discussion ensued on the benefits of the completed project to the City and State.

Upon a motion made by Ms. Smith, seconded by Mr. Siegel, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a sales and use tax exemption to benefit 777 Main Street LLC, Fairfield, CT:

RESOLVED:

(1) That Connecticut Innovations, Inc. ("CI") approves sales tax relief, authorized under Connecticut General Statutes Section 32-23h, as amended, on the purchase of capital equipment and materials, for the benefit of 777 Main Street LLC, Fairfield, CT. Said tax exemption shall not

exceed ONE MILLION TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$1,225,000) over a period not to exceed 3 years and will be subject to the terms and conditions recommended by staff; and

(2) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such financing to be effected with such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the proper officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

CREDIT ADMINISTRATION

- Approval to Charge off \$341,359.81 on Lithographics, Inc., Farmington**

Mr. Twele described the request to approve the charge off of \$341,359.81 on Lithographics, Inc., Farmington. He discussed the background of the company and some of the issues the company had resulting in the recommendation to charge off the loan. After discussing the situation, a recommendation was made to release the guarantor from her guarantee to CI after her house is sold and final payments are made to Farmington Bank. The loan for Lithographics, Inc. has been fully reserved by CI.

Upon a motion duly made by Mr. Mulready, seconded by Mr. Cantor, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a charge off for the loan for Lithographics, Inc., Farmington, CT as amended.

RESOLVED:

(1) effective as of June 30, 2013 Connecticut Innovations, Inc. ("CI") approves the charge off of \$341,359.81 on Lithographics, Inc., Farmington, under the terms and conditions recommended by staff; and

(2) the guarantor, Judith Wilson, may be released from the guarantee to CI after her personal residence in Canton is sold and final payments are made to Farmington Bank; and

(3) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such charge off to be effected; and (b) contain such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(4) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

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- **Approval to Charge off \$641,643.12 on GC Industries, Inc., Deep River, CT.**

Mr. Twele described the request to approve the charge off of \$641,643.12 on GC Industries, Inc., Deep River, CT. He reviewed the proposed terms on conditions of the charge off. Mr. Twele discussed the history of the company and noted that in 2001, GC Industries filed for Chapter 11 bankruptcy. He spoke about some of the attempts by the company to recover from bankruptcy. After a discussion, there was general consensus to keep the guarantee in place. It was noted that this loan has been fully reserved by CI.

Upon a motion duly made by Ms. Smith, seconded by Mr. Siegel, the Loan Committee members voted unanimously in favor of approving the following resolution regarding a charge off for the loan for GC Industries, Inc., Deep River, CT.

RESOLVED:

(1) effective as of June 30, 2013 Connecticut Innovations, Inc. ("CI") approves the charge off of \$641,643.12 on GC Industries, Inc., Deep River, CT, under the terms and conditions recommended by staff; and

(2) that the proper officers be and are hereby authorized to execute and deliver for and on behalf of CI such agreements and related documents to cause such charge off to be effected; and (b) contain such terms and conditions as the Signatory shall deem to be in the best interests of CI, the Signatory's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the agreements; and

(3) that the Authorized Officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above mentioned agreements.

6. Other Business:

Ms. Wieleba reported on meetings held with the various banks to obtain input on CI. She indicated that surveys have been distributed and CI is receiving feedback. The results will be presented to the Loan Committee along with potential recommendations. In response to a question, Ms. Wieleba discussed some of the initial feedback received from the banks.

7. Adjournment:

There being no further business to discuss, the meeting was adjourned at 9:03 a.m.

Respectfully submitted,

Richard Mulready
Chairman of Loan Committee