

**QUONSET DEVELOPMENT CORPORATION
STRATEGIC PLANNING COMMITTEE MEETING**

FEBRUARY 12, 2007

PUBLIC SESSION MINUTES

A meeting of the Strategic Planning Committee of the Quonset Development Corporation (the "Corporation") was held at 3:30pm on Monday, Date February 12, 2007: at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Strategic Planning Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The Following members constituting a quorum were present and participated throughout the meeting as indicated: John Simpson, David Doern, and Barbara Jackson. W. Geoffrey Grout, Managing Director, Steven King, COO of Quonset Development Corporation, and David Preston of New Harbor Group were also present and participated as indicated:

1. CALL TO ORDER:

The meeting was called to order at 3:35pm by Chairperson John Simpson

2. APPROVAL OF MINUTES:

Minutes from the January 22, 2007 meeting will be approved at the next meeting.

3. INTRODUCTION:

There was a discussion on how things have changed over the last two years. Mr. Grout highlighted what he would like to see discussed at this meeting.

- "Park" integrity
- Discussions with the State House and where they see QDC going
- Quonset is a State Asset
- Acknowledgement that sold property becomes part of the Town of North Kingstown

A. Development Initiatives Strategy:

- Island Global Yachting proposal to lease - interested in sites 4, 5 and 8
- North Davisville proposal for Allen Harbor - a developer is looking to lease 10 acres for small boat rack storage
- Town of North Kingstown's lease for the West Side of Allen Harbor ends December 31, 2009
- Allen Madison House is a 7 acre parcel that should be turned over to a non-profit preservation entity

B. Sustainable Operating Model Strategy

- Infrastructure Maintenance
- Port Authority – Security (TWIC) Transportation Worker Identification Credential
- Legislative adjustments

Mr. Grout added that there are issues of site control on sites 8 and 9. These and other issues daisy chain back to Strategic Planning. The Strategic planning committee needs to decide what they feel are the important issues so we are working on what the committee sees as the priority issues.

C. Municipal Benefits

- Pilot Agreement
- Sewerage hook ups
- Public Works

Sav Rebecchi joined the meeting at 3:47pm

4. LEASE VS. SALE

Ms. Jackson stated that it was important to note that Quonset Business Park is seen as a State Asset.

It was reinforced there be no future sale of land.

Mr. King introduced a map depicting ownership within the park.

Ms. Jackson stated that the committee all agrees that Quonset Business Park is a State Owned Asset and State Owned Facility and how that plays into the Lease vs. Sale.

Upon motion duly made by Ms. Jackson and seconded by Mr. Doern the committee agreed.

VOTED: That a final recommendation is to be made to the full Board that no more sales of land to maintain the integrity of the Park and keep assets under State control.

Voting in favor were: John Simpson, Sav Rebecchi, David Doern and Barbara Jackson.

Voting against were: none.

Unanimously approved

5. DEVELOPMENT INITIATIVES STRATEGY:

A. Port of Davisville area:

- 40 year lease with NORAD
- 77 million in total revenue over life of lease.
- starting at \$1,200,000 a year
- Adding a rail yard
- Other opportunities in the port area:
 1. Roll on – Roll off
 2. Coast Guard
 3. 18.5 acres on parcel 6
 4. 18.5 acres warehouse
 5. Additional acreage in parcel 10

Mr. Grout noted to keep in mind when talking about port activities when the proposals for the Logistics facility were received. The following things were identified as limitations:

- Dredging to 45'+
- Limited Pier Faces
- Success is stringent on access to two Class A Railroads
- Favorable Labor Contract
- Good trucking services

Mr. King stated the other issue may be the Saratoga coming to the Port of Davisville. There is a conflict with RIDOT and the Sakonnett Bridge Project.

B. Fry's Cove

Mr. Grout stated that with Fry's Cove we are pursuing the right initiative.

- IGY focusing on construction and repair
- Working on linking site 4 and site 8 together on some development program
- Will know in a few months if there is a deal there
- Working on site control with RIAC for site 8

Mr. Grout added that IGY is the Mega Yacht idea and is looking to have a public sailing facility, Ferry Dock and FBO. They want site 8.

Ms. Jackson stated that out of all the interest in that site, the Mega Yacht would be the #1 thing to create jobs. Multiplier effect is enormous.

C. North Davisville

Mr. Grout went over the Strategic initiative for Allen Harbor. We continue to recommend that when the Town's lease terminates on December 31, 2009 it will not be renewed. We will engage thereafter a development process. The lease on the 45 acres of site 9 on the site initiative map runs between the NAVY and RIEDC and there is another lease between the RIEDC and the Town of North Kingstown which has no expiration and no rent. That is the lease we are talking about canceling. It has a 30 day notice, and we have

given the Town a two year notice. The Town has a lease with the Allen Harbor Yachting Assoc. and that lease ends on December 31, 2009. There lease is for about 10 acres. We have had an inquiry from a company looking to lease about 10 acres for Rack Storage of small boats. We are looking to commence that lease on 12/31/09. Displaced will be Allen Harbor Yachting Association. We have encouraged Allen Harbor Yachting Assoc to talk with the Rack Storage Company.

- Allen Madison house initiative is that we will turn it over to a not for profit group and turn over the deed once we get it. This property is currently still Navy land.

D. Commerce Park

Mr. Grout explained that there have been discussions in the form of a Site 3 initiative to potentially use the unused acreage at Quonset in Commerce Park and potentially the Gateway for the creation of a Movie Production Studio. This potentially may require housing, sound stages, shopping center, etc. Experience has shown that the Studio developer may want to build a whole town around the studio.

Mr. Doern expressed concern about building a retail village around a movie studio because we have approved the development of a retail project with New Boston. It appears to me that RIEDC staff and the QDC Chairman were unauthorized to negotiate with another company for a similar use project on adjacent and committed parcels. His reaction is to keep Gateway/New Boston encouraged. He stated that we need to let New Boston know they have a deal with us. He thinks we need to let the Chairman know that he needs to come to the QDC Board before talking to anyone about starting new transactions on sites already committed.

Ms. Jackson stated she thinks that we need to tell the Movie Studio that a sale is not an option.

Mr. Grout stated he thinks this is an initiative that falls out of the 25% tax credit idea, and it needs to be converted into a real estate deal to be economically viable.

Mr. Doern asked if the 80 acres of parcel 3 is enough for the Movie Studio to build housing, retail and everything they need.

Mr. Grout replied they are looking at site 7, 3, 1, and 5

6. SUSTAINABLE OPERATING MODEL STRATEGY

Mr. Grout stated that looking at the sustainable operating model strategy we need to look at where we were before and where we will need to be. We need to look at the Legislative agenda.

- Elected officials on QDC Board
- Refine EDC relationship
- Clarify the project review process with State Guide Plan VETO
- PILOT payment – unable to buy services on an “A LA CARTE” basic
- District Management Authority

- Re-allocate tax revenues back to bonds
- Port Security - Title 12 Authority
- TWIC – March of this year

Mr. Grout also stated we may want to re-think being a Port Authority. There was also a discussion on the State Guide Planning process.

Mr. Doern would like to have another meeting specifically on the Sustainable Operating Model Strategy, Municipal Benefits and Responsibilities and Consideration & Recommendation of Legislative agenda to Governance Committee part of the agenda.

With regards to:

- Integrity of State asset
- Maintaining the park
- Police
- Fire
- Concept of first class industrial business park

Mr. Rebecchi stated we need to find the quickest and most effective way to the question of “What are we going to be”. Are we going to turn all this property over to the Town of North Kingstown to own and manage?

Mr. Simpson stated that it is our responsibility to define what we want to be the final outcome and present that recommendation to the board. He added that both the staff and the board have spent a lot of time on the Gateway project and we voted that the project fit the overall strategic plan. He wanted to understand if the State Planning Council has the right of refusal and suggested that maybe they should be involved early on in the process with the board.

Mr. Simpson said I think we need to focus on:

- Reinforce Lease vs. Buy to the other members of the board
- Development of Port to benefit of the state as a strategic asset
- Develop overall recommendations to the Board

Mr. Doern sense that we are not locked in but focused on running the “Park”

Mr. Rebecchi feels we need to get together with Statewide Planning

Mr. Grout stated that there will be meetings with Statewide Planning.

Mr. Doern thinks we need to go public with our reaction.

Mr. Grout went over the resolutions for New Boston

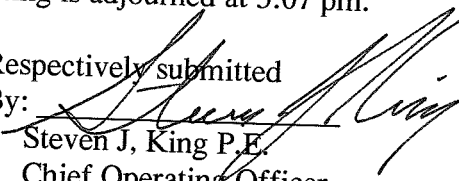
- Schedule A
- Master Plan

The Strategic Planning committee will hold their next Meeting on March 5, 2007 3:30pm for Staff to make recommendations on a sustainable operating model.

There being no further business to come before the committee, upon motion duly made by Mr. Doern and seconded by Mr. Rebecchi the meeting is adjourned at 5:07 pm.

Respectively submitted

By:


Steven J, King P.E.
Chief Operating Officer