

**QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS**

October 19, 2009

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, October 19, 2009, at the offices of the Corporation located at 95 Cripe Street, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, John A. Patterson, J. Michael Saul, Sav Rebecchi, and John G. Simpson. Absent was: Keith Stokes Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation's staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:09 p.m. by Chairman Saul.

2. APPROVAL OF MINUTES:

Upon motion duly made by Mr. Berson and seconded by Mr. Laramee, the Board:

VOTED: To approve the Public Session minutes of the September 15, 2009 meeting, as presented.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Abstain: Richard L. Pastore

Motion Passed.

3. STAFF REPORTS:

Mr. King reviewed the Staff Report with the Board.

Development and Planning:

- The Corporation received \$3.88 million grant from the EDA for Commerce Park Connector Road. This ARRA grant represents 80% of the project cost; the remaining costs have been budgeted.

- Submitted an application to the USDOT for \$45.4 million grant for pier, port, roadway, rail, bike and transit improvements in the Park (TIGER).
- Deepwater Wind has met their first milestone of the Development Agreement by submitting a concept plan on September 30, 2009. Their next milestone is a Master Plan and Environmental Review form due by June 30, 2010.
- Dale Nelson closed on the property for Failure Analysis and Prevention. Construction is underway to build a 14,000 SF structure on Commerce Park Road.
- The Design Review Committee has begun its review of Doug Riggs' Vantage Point III Project on the corner of Whitecap Drive and Circuit Drive. The tenant, SBS, will be expanding/ relocating from East Greenwich. This is a \$4 million investment for a 40,000 SF structure, SBS will employ up to 60-100 people.
- Sally Beauty Supply will be the next new tenant in the Gateway.
- QDC staff met with the North Kingstown's Economic Development Advisory Committee on September 29th. The Corporation has requested the Committee's assistance in amending the tax incentive ordinance to exempt QBP tenants from the requirements that they obtain building permits from the Town and accept State permits as well, to be eligible for the incentive.
- Bannecker Industries has signed a 5 year lease to begin November 1, 2009 for Bay C in building E319.
- Mr. King provided the Board with a handout (Exhibit 1) showing all the active construction projects in the Park per Mr. Breslin's request. One building site was omitted from the map and was noted in the meeting as Ocean State Testing construction on Roger Williams Drive.

Construction:

- Romano Vineyard Way Bridge is working towards 90% design completion. DEM approval has been received and the Corporation is targeting bidding for after the beginning of 2010.
- Bike Path (multi-use path) approximately 80 plantings have been replaced with a one year guarantee on plantings. The contract closeout will include a warranty bond to cover the guarantee period for the plantings.
- NOAA building ground breaking is scheduled for October 26th at 12:30 PM.
- Westcott Road cul-de-sac is delayed due to placement of stored vessels for winter storage on work site.
- C. White Marine Construction was the low bidder on the Pier 1 bollard/ cleat fender project.
- Northrup Road improvements from Callahan Road to Commerce Park Road will go out for bid in November.

Operations:

- Mile-markers have been placed along the bike path.
- Marine debris collected by Clean the Bay in cooperation with the RI DEM has been removed from the pier support area by a contractor working with the US Navy.

Port Operations:

- The Port received 9 ships totaling 6909 autos, 1 research vessel and 1 barge in September.

Finance and Administration:

- Bound copies of the final Auditors report were mailed to all board members as well as required state departments and officials.
- Total revenues are running slightly better than budget for the first quarter of the year.

4. COMMITTEE REPORTS:

Governance Committee:

Mr. DeCarvalho advised the Board that the Committee met prior to the Board meeting and had Mr. Jason Gramitt from the RI Ethics Commission speak specifically to conflicts of interest. Mr. DeCarvalho also noted that the Committee revisited a policy that they had discussed in the previous meetings regarding reviewing executive session minutes every 6 months to determine if the minutes should be opened to the public. Mr. DeCarvalho advised that he would like Mr. Gramitt to meet with the Committee every 18 to 24 months.

Marketing and Business Development Committee:

Mr. Berson advised the Board that the members of the Marketing and Business Development Committee met on October 5, 2009 and discussed the role of the Marketing Committee, current marketplace issues, improving communication with constituents, and increasing tenant involvement in the Park.

5. APPROVAL REQUESTS:

A. Confirmation of the Appointment of Director Rebecchi as a Member of the Marketing Committee:

Upon motion duly made by Mr. Laramée and seconded by Ms. Jackson, the Board:

VOTED: To approve the appointment of Sav Rebecchi as a member of the Marketing Committee.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson and John G. Simpson.

Voting Against were: None

Unanimously approved.

B. Approval of a Lease Extension for Rhode Island Fast Ferry, Inc.:

Mr. Barry noted that Rhode Island Fast Ferry has been a tenant in the Park since 1997 when they signed a 2.7 acre lease for the waterfront area including a boat dock, office, and a small parking area. Mr. Barry added that a second lease was signed in 2004 for additional parking space which expires in 2010. Rhode Island Fast Ferry, Inc. would like to combine the two existing leases into one lease and trim some

unusable land along the beach buffer and parking area. The new lease would reduce the amount of lease space from 6.1 acres to 5.1 acres and will have a twenty-five (25) year term commencing 01/01/2010. The Base rent will be \$13,250 per acre, consistent with the current blended rate of the two leases. Rhode Island Fast Ferry, Inc. is proposing to improve the site with a new terminal building, parking, lighting, and fencing.

Mr. Breslin asked if the land that is being shaved off the lease is useable by the Corporation. Mr. King noted that the land was part of the runway approach to the airport and is not suitable for any use other than parking and will probably be used for Compass Rose Beach parking.

Ms. Jackson asked about the lighting that will be part of the improvements. Mr. Charlie Donadio of Rhode Island Fast Ferry, Inc. advised that lighting that they are proposing will be down-lighting and the company plans to submit plans to the Corporation and RIAC for approval prior to construction. There was a short discussion on the other planned improvements including upgrading the parking surface and containing the runoff.

Mr. Berson asked if there were any new jobs associated with this transaction. Mr. Donadio noted that most of their employees are seasonal and range around 40-45 employees. Mr. Donadio noted that Rhode Island Fast Ferry, Inc. will be adding another vessel in April 2011 which will add some jobs.

Upon motion duly made by Mr. DeCarvalho and seconded by Mr. Laramée, the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease Extension and Amendment, and other agreements related thereto, with Rhode Island Fast Ferry, Inc. substantially in accordance with the Request for Board Authorization presented to the Board (the Lease Extension and Amendment and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all agreements, contracts, certificates, licenses and assignments, upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing

or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

C. Acceptance of Transfer of the Ladd Water System from the RIEDC and the Acceptance of a Conservation Easement from the State of Rhode Island.

Mr. King explained that the Corporation has operated the water systems at the Ladd School in Exeter, RI since prior to creation of Quonset Development Corporation in 2005, however, the RIEDC holds the rights. Mr. King noted that the system currently operates at a net financial loss and is listed on the Corporation's books as an asset. Mr. King explained that the Department of Administration (DOA) and the Department of Environmental Management (DEM) have been working to preserve 100 acres at Ladd School for conservation and would like the Corporation as the water operator to be a recipient of the conservation easement to preserve the water quality at the Ladd School. Mr. King noted:

- Well heads and access areas will be removed from the Conservation areas
- A majority of the land is wetlands
- DEM will be a co-recipient of the grant
- The Corporation will not be under performance obligations in relation to the land

Mr. Simpson asked how this transfer and conservation easement would fit into the Operation goal of making the Ladd cost neutral. Mr. King noted that there were some potential new water customers in the area, including a possible State Fire Training facility and there are other possibilities. Mr. King also confirmed for Mr. Simpson that there would be no change in operating expenses by adding the conservation easement.

Mr. Batty clarified that the Board would be voting on transferring the water rights and system (water tower, pipes) and the Corporation would not be getting any fee interest in the land. Mr. Batty also noted, that the concept of the conservation easement is to preserve the open land area.

Mr. Berson added that it is his opinion that anything that distracts from the business of operating the Park could be detrimental.

Mr. Simpson noted that it has always been the hope of the Board that one day the Ladd School would no longer be the Corporation's responsibility. Mr. Simpson questioned that by voting for this transaction if the Board was reinforcing that the Ladd School would never be its own entity separate from the Corporation.

Mr. Batty stated that owning the water system puts the Corporation in the position to transfer the system if that opportunity ever presents itself.

Upon motion duly made by Mr. Pastore and seconded by Ms. Jackson, the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to accept the deed and transfer to the Corporation from the Rhode Island Economic Development Corporation of the water rights and Water System located at the Ladd School (so-called), Exeter, Rhode Island, and to enter into a Conservation Easement with the State of Rhode Island, substantially in the form presented to the Board and other agreements related thereto (the Deed, Conservation Easement and related documents are referred to herein collectively as the "Agreement").

VOTED: That each of the Authorized Officers, acting singularly and alone, be and each of them hereby is authorized, empowered and directed to effectuate the intent of the foregoing resolutions by executing, delivering and performing any and all modifications, renewals, confirmations and variations of such Agreement as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and on behalf of the Corporation, such Authorized Officers are hereby authorized, empowered and directed to prepare or cause to be prepared and to execute, perform and deliver in the name and on behalf of the Corporation the Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all deeds, agreements, contracts, certificates, licenses, assignments, and financing documents upon such terms and conditions and with such changes, additions, deletions, supplements and amendments thereto as the Authorized Officer executing or authorizing the use of the same shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

VOTED: That in connection with any and/or all of the above resolutions, the taking of any action, the execution and delivery of any instrument, document or agreement by any of the Authorized Officers in connection with the implementation of any or all of the foregoing resolutions shall be conclusive of such Authorized Officer's determination that the same was necessary, desirable and appropriate and in the best interest of the Corporation.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

6. **MOTION TO ADJOURN TO EXECUTIVE SESSION:**

Upon motion duly made by Mr. Rebecchi and seconded by Mr. Pastore, the Board:

VOTED: To adjourn to Executive Session pursuant to Subsection (2) – (Litigation), Subsection (5) – (Acquisition or Lease of Real Estate for Public Purposes or Disposition of Publicly held Property), Subsection (6) – (Location of Prospective Businesses in Rhode Island) and Subsection (7)- (Investment of Public Funds) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

1. To discuss acquisition or lease of real estate, location of prospective business in Rhode Island, investment of public funds and New Boston Development.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Unanimously Approved.

The meeting adjourned to Executive Session at 6:10 p.m. The meeting reconvened in Public Session at 6:34 p.m.

VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Pastore and seconded by Mr. Laramée, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, Kas DeCarvalho, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.

Voting against were: None.

Unanimously approved.

There being no further business to come before the Board, upon motion duly made by Mr. Pastore and seconded by Mr. Simpson, the meeting was adjourned at 6:36 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary