

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

January 9, 2012

**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, January 9, 2012, 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 members constituting a quorum were present and participated throughout the meeting as indicated: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, John G. Simpson, and Keith Stokes. Also present were: Steven J. King, P.E., Managing Director; Kevin M. Barry, Finance Director; E. Jerome Batty, Secretary; and Corporation's staff and members of the public.

**1. CALL TO ORDER:**

The meeting was called to order at 5:02 p.m. by Vice Chairman Simpson.

**2. APPROVAL OF MINUTES:**

Upon motion duly made by Mr. Miccolis and seconded by Mr. Rugh, the Board:

**VOTED:** To approve the Public Session and Executive Session minutes of the November 21, 2011 meeting, as presented.

Voting in favor were: Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

Abstaining: Robert H. Breslin, Jr.

Voting Against were: None

Motion Passed.

**3. STAFF REPORTS:**

Mr. King reviewed the Staff Report with the Board:

**Grant Administration**

- The Economic Development Administration (EDA) has awarded the QDC a \$440,000 grant for construction of the Compass Circle Extension. This grant

will cover approximately fifty (50) percent of the cost to build a road extension to the Corporation's newly acquired property in West Davisville.

#### TIGER Project

- TIGER Grant work continues; road improvements are almost complete, Pier 1 and 2 work is ongoing, Terminals 4 & 5 work has been shut down for the winter, and the Harbor Mobile Crane is under construction.

#### Construction Project

- Jones Road storm water drainage pipes and structures have been installed and paving is complete. The roadway will be open for the winter months and the project should be complete by June 2012.
- 2011 Pavement Management project, funded by the Joint Infrastructure Fund with the Town of North Kingstown, is complete.
- Security and Tele-data systems have been installed in the NOAA building.

#### EDA Project

- Romano Vineyard Way Landscaping Project is complete with over 1,000 trees, shrubs, and ground cover installed.

#### Development

- Wide World of Indoor Sports plans have been reviewed by the Technical Review Committee. The lease should be signed this week and construction is anticipated to begin soon with the anticipated opening in September 2012.
- Rhode Island Fast Ferry new dock plans are under review and have been submitted to RI Department of Transportation for approval. Rhode Island Coastal Resource Management Council public hearing is scheduled for January 10, 2012 regarding permit.

#### Operations

- Water Meter Automation Project – the water department has completed the installation of the two signal receiving points on the water towers for the new Badger Meter system. Approximately, 115 meters will be installed with 90 remote water meters already installed and transmitting usage readings to the QDC office.
- Roof replacement on building 318 has been completed.
- Park-wide signage will be updated due to all the new road construction and changes.

#### Port Operations

- Port Activity continues to be brisk with 11 ships carrying 12,561 cars inbound in December.

#### Finance and Administration

- Corporation finances continue to remain strong. Revenues are still running favorable to budget.
- The Audit Finance Committee will be meeting prior to the next Board of Director's meeting in February.

Mr. Berson joined the meeting at 5:12 p.m.

4. **COMMITTEE REPORTS**

There were no committee meetings.

5. **APPROVALS:**

A. Consent to the Assignment of the Seaview Transportation Operating License and Approval of the Modification and Extension of the Operating License.

Mr. King introduced Eric Moffett who has entered into a purchase and sale contract for the Seaview Transportation Co., Inc. business operating in the Quonset Business Park. The business is currently owned and operated by Bruce Hamilton who is retiring. Seaview Transportation, which provides freight rail service to the Park tenants, has an Operating License Agreement with the Corporation that was recently extended for a five year term. Mr. Moffett is seeking to take over that agreement. Mr. Moffett comes from the Integrated Rail Group out of Connecticut and has experience working in the rail business through CSX Transportation, New England Central/Connecticut Southern Railroad and Canadian Pacific Railroad.

In addition to seeking the Corporation's consent to the assignment, Mr. Moffett is requesting an extension on the operating license term from five (5) years to twenty-five (25) years in order to acquire additional capital to invest in the business. Mr. Moffett would pay twenty-four thousand (\$24,000.00) dollars per year in flat rent which is roughly equivalent to the current rent and retain 5 jobs. Mr. King noted that most importantly, Mr. Moffett has agreed to fund a Track Maintenance Fund to be established and managed by the Corporation. The Track Maintenance Fund would be funded with eight (8%) percent of the licensee's gross operating income with a floor of sixty thousand (\$60,000.00) dollars and a ceiling of one hundred thousand (\$100,000.00) dollars in the first five (5) years. The ceiling would increase by ten thousand for each subsequent year until it reaches one hundred forty thousand (\$140,000.00) dollars. If for any reason, the licensee does not perform the necessary maintenance then the funds are available to the Corporation for the track maintenance. Mr. Moffett would perform the maintenance/repair and would be reimbursed through the fund. Finally, the licensee has agreed to create a Tariff for the cost of rail service and any changes to that Tariff would need to come before the Board of Directors for approval.

Additionally, Mr. King advised the Board that the Seaview Transportation engine house which is currently on property subleased from the RI Department of Transportation will have to be moved by 2015 due to the anticipated upcoming 403 interchange construction. The engine house would have to be moved from the North side of the tracks to the South side which includes a 3.9 acre lot.

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

**VOTED:** That the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to enter into, execute and deliver an assignment, modification and extension of the Operating License Agreement, and other agreements related thereto, with the Seaview Transportation Company, Inc., or an affiliated entity, substantially in accordance with the Request for Board Authorization presented to the Board (the Operating License Agreement, and related documents are referred to herein collectively as the "Agreements").

**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 the Agreements 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 Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums 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: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

B. Appointment of Officers in Accordance with the Bylaws of the Corporation:

Upon motion duly made by Mr. Patterson and seconded by Mr. Breslin, the Board:

**VOTED:** That the following persons are hereby elected to the offices set forth opposite their names, to hold such offices until the time fixed in accordance with the By-Laws of the Corporation for the next annual meeting of the Board of Directors of the Corporation and thereafter until their successors shall have been duly elected and qualified:

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<u>Name</u>	<u>Office</u>
John G. Simpson	Vice-Chair
John E. Laramée	Deputy Vice-Chair
E. Jerome Batty	Secretary
Kevin M. Barry	Finance Director

Voting in favor were: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

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

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

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

Voting in favor were: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Elizabeth Dolan, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

The meeting adjourned to Executive Session at 5:17 p.m. The meeting reconvened in Public Session at 6:23 p.m.

During Executive Session, Keith Stokes joined the meeting at 5:37 p.m. and Elizabeth Dolan left the meeting at 5:42 p.m.

7. **VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:**

Upon motion duly made by Mr. Berson 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: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

Voting against were: None.

Unanimously approved.

8. **APPROVAL TO PROCEED WITH THE PURCHASE AGREEMENT, LAND LEASE, AND PROPERTY LEASE AGREEMENTS RELATED TO PROPERTY LOCATED AT 1050 ROGER WILLIAMS WAY:**

The following vote was approved in Executive Session:

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

**VOTED:** In accordance with the Resolution of the Board on September 19, 2011 relating to property at 1050 Roger Williams Way, the Corporation acting by and through its Chair, Vice-Chair, Managing Director or Finance Director, each of them acting alone (the "Authorized Officers") is hereby authorized to modify the Agreements to reflect that the build out of the existing building and construction of an addition to the existing building may not be required, and the Corporation may proceed with the Purchase Agreement, Land Lease and Property Lease Agreements as so modified without entering into the Sublease Agreements.

Voting in favor were: Robert H. Breslin, Jr., James Berson, Kas R. DeCarvalho, Barbara Jackson, John G. Laramée, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh, and John G. Simpson.

There being no further business to come before the Board, upon motion duly made by Ms. Jackson and seconded by Mr. Laramée, the meeting was adjourned at 6:24 p.m.

Respectfully submitted:

By:   
E. Jerome Batty, Secretary