

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

June 17, 2014

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 4:30 p.m. on Tuesday, June 17, 2014, 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: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, Anthony F. Miccolis, Jr., James Rugh, Marcel A. Valois, and Richard A. Welch. Absent were: Guy Asadorian, Jr., Kas R. DeCarvalho, and John G. Laramée. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary and the Corporation's staff and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 4:33 p.m. by Chairman Marcel A. Valois.

2. **APPROVAL OF MINUTES:**

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

VOTED: To approve the Public Session Minutes of the May 20, 2014 meeting as presented.

Voting in favor were: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Abstaining: None

Unanimously Approved.

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

VOTED: To approve the Executive Session Minutes of the May 20, 2014 meeting as presented.

Voting in favor were: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, James Rugh, and Richard A. Welch.

Voting Against were: None.

Abstaining: None

Unanimously Approved.

3. **STAFF REPORTS:**

Mr. King reviewed the staff reports provided to the Board and noted thanks for the General Assembly's timely resolution to eliminate a conflict between state and federal laws regarding apprenticeships. The \$800,000 EDA Grant will be available for the Zarbo bulkhead improvement.

Mr. Berson asked about the Quonset Master Land Use Plan update and whether Board input was needed. Mr. King assured the Board that the updates were of a technical nature and not a change in ideology or focus.

Mr. Berson also asked about the RI Airport Corporation's ("RIAC") Master Plan and how it impacted the Quonset Business Park. Mr. King advised that he would ask a representative from RIAC to come and speak to the Board directly in the next few months.

Mr. Breslin asked for an update on the new office building leases. Mr. King stated that as the building was still under construction, the Corporation has one lease for a couple of rooms and one large lease in process that could be a huge opportunity; plans will go from there.

Mr. Miccolis joined the meeting at 4:43 p.m.

4. **Approval of the Lease of 10 Acres +/- to Edesia, Inc.**

Mr. King advised the Board that Edesia, Inc. is interested in leasing 10 acres of land on Romano Vineyard Way; to construct a facility of up to 85,000 square feet for the purpose of manufacturing nutra-ceutical products for export to developing countries. The facility would also be used for distribution, research, development and product testing.

Mr. King shared two short presentations including a story run on "60 Minutes" about Edesia, Inc. to familiarize the Board with the company's product and message.

Mr. King introduced Navyn Salem, Executive Director of Edesia, Inc., to the Board. Mr. King explained that Edesia, Inc. has outgrown their 15,000 square feet facility in Silver Spring Industrial Park in Providence and has 55 employees. The new development and expansion of the company would increase to up to 100 employees.

Mr. King reviewed with the Board the 25 year term lease, stating the rent will be based on the standard \$1.20 per gross building footprint per annum beginning at \$102,000 per year and ramping up to \$129,840 per year when the building is at full build-out of 108,200 square feet around year 10. There will be an escalation of 12.5% after years 10, 15, and 20. Edesia, Inc. will be offered the standard incentives including 16% discount for the 25 year term and the wage incentive based on 0.5% of wages paid. The lease includes four 10year options to extend.

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

VOTED: 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 a Lease Agreement and other agreements related thereto with Edesia, Inc., or an affiliated entity for the lease of property at Quonset Business Park, substantially in accordance with the Request for Board Authorization presented to the Board (the Lease 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 or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 and 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 executed 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 Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Abstaining: None

Unanimously Approved.

5. Approval of a Revised Development Agreement with NK Hospitality Sites, LLC.

Mr. King advised the Board that Mr. Bucci of NK Hospitality Sites has been working on a plan to put a restaurant next to the hotel in the Gateway since his option to lease was approved in January 2014. Mr. King stated that NK Hospitality Sites, LLC has reworked their 2.7 acres site and is interested in leasing an additional 4.2 acres site (Site Readiness Parcel 36) adjacent to their site to develop at least 2 restaurants and up to 4 restaurants and a retail building on the combined sites.

Mr. King reviewed the lease option revision stating the option is for 3 years following the 90 day due diligence period. The option development fee will be \$65,000.00 paid in quarterly installments of \$5,416.67 and if the lease comes into fruition the term will be 25 years starting at \$15,000 per acre with 10% increases every 5 years. The lease will include four 10 year extensions, but since this is a retail project there are no incentives.

Mr. Rugh inquired about the restaurant pads on the other side of Gate Road in the Shops at Quonset Point. Mr. King advised the Board that the property for those pads is under a 99 year lease with New Boston Quonset, LLC and they have not proactively looked for a potential restaurant tenant.

Ms. Jackson asked if the Town of North Kingstown had been informed of the project. Mr. King stated the Town's planner has seen the development proposal map and endorses the project.

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

VOTED: 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 a Development Agreement and other agreements related thereto with NK Hospitality Sites, LLC, or an affiliated entity for the development and lease of property at Quonset Business Park, substantially in accordance with the Request for Board Authorization presented to the Board (the Development 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 or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 development agreements, leases, 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 and 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 executed 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 Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Abstaining: None

Unanimously Approved.

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

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

VOTED: To adjourn to Executive Session pursuant to Subsection (2) - Sessions pertaining to collective bargaining or litigation, or work sessions pertaining to collective bargaining or litigation, (6) - (Location of Perspective Businesses in Rhode Island), and (7) - (A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest) of the RIGL §42-46-5(a) (the "Open Meetings Law").

Voting in favor were: James Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:11 p.m. The meeting reconvened in Public Session at 5:30 p.m.

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

Upon motion duly made by Mr. Rugh and seconded by Mr. Miccolis, 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 Berson, Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, Anthony F. Miccolis, Jr., James Rugh, and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

Mr. Berson thanked Ms. Jackson for all her efforts on the Board and that he learned a lot from her. Mr. King also thanked Ms. Jackson for her service and noted that she was an invaluable member of the Board.

Mr. Miccolis requested that the Board discuss the start time for the monthly Board meeting. Mr. King stated he was waiting for Mr. Dorsey and Mr. Mancini to formally join the Board of Directors and that a discussion will be held at the next meeting.

6. **ADJOURNMENT:**

Upon motion duly made by Mr. Breslin and seconded by Mr. Miccolis, the meeting adjourned at 5:32 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary