

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

July 21, 2015

**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 Tuesday, July 21, 2015, 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: Guy Asadorian, Jr., Shannon Brawley, John A. Dorsey, Martha Holt Castle, Carol Hueston, Scot Jones, Kerry P. McKay, Stefan Pryor, and James Rugh. Absent were: Gregory A. Mancini and Guillaume de Ramel. Also present were: Steven J. King, P.E., Managing 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 5:09 p.m. by Chairman Stefan Pryor.

2. **APPROVAL OF MINUTES:**

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

**VOTED:** To approve the Public and Executive Session Minutes of the June 16, 2015 meeting as presented.

Voting in favor were: Guy Asadorian, Jr., Shannon Brawley, Martha Holt Castle, Carol Hueston, Scot Jones, Kerry P. McKay, and James Rugh.

Voting Against were: None.

Abstaining were: None

Unanimously Approved.

John Dorsey joined the meeting at 5:11 p.m.

3. **STAFF REPORTS:**

Mr. King reviewed the staff report with the Board of Directors.

Mr. King also reviewed the Corporation's various subcommittees established by the Quonset Development Corporation's bylaws and asked members to forward any interest in being appointed to fill committee vacancies to his attention.

4. **APPROVAL OF A LEASE AND POWER PURCHASE AGREEMENT WITH ENERGY DEVELOPMENT PARTNERS, LLC:**

Mr. King reviewed the transaction with the Board, noting the project involves putting solar arrays on the roof of two warehouse buildings at 310 and 320 Compass Circle. Under the lease and power purchase agreement, Energy Development Partners, LLC ("EDP") would install new roof membranes and R-25 installation on the current worn and dilapidated roofs of the warehouses and, upon finishing the roof repairs, install a solar rooftop array on the buildings. In return, the Corporation agrees to buy the power from the arrays for roughly \$.179 per kilo watt hour ("kwh") with annual 2% escalation as is allowed under the new metering provisions of RI General Laws.

Mr. King stated the lease and power purchase agreement would also involve an addition of a second phase of panels to the current solar array at 1720 Davisville Road. The rooftop arrays and phase II of the Davisville array would produce between 2.5 – 3.1 MW of power. Mr. King directed the Board to the Solar vs. National Grid cost analysis in their packet and noted the Corporation would pay more for the solar energy than the current National Grid electrical cost; however, EDP will complete the necessary \$3.4 million in roof repairs to the warehouses. The repairs currently exceed the Corporation's budget but are urgently needed. Roof repairs will allow the Corporation to lease an additional 30,000 square feet of warehouse to offset increased electrical costs. Mr. King stated the project supports several operating goals including promoting environmental stewardship.

Mr. King introduced, Mr. Epps from EDP who gave a brief presentation on the history of EDP and an overview of the project. Mr. Epps pointed out that the actual timeline of the project is dependent on National Grid's ability to provide an interconnection for more than 3 megawatts of power per QDC's 36 meters. Mr. Epps continued that National Grid will need to conduct a network impact study to determine what type of improvements to the systems are necessary and then complete the upgrades. Mr. Epps assured the Board that the cost of the upgrades, estimated at \$400,000, is built into the proposed agreement and any expenditure exceeding the estimate will be paid by EDP and any balance will be credited to the Corporation.

Upon motion duly made by Ms. Hueston and seconded by Mr. McKay, 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 and Power Purchase Agreement and other agreements related thereto as appropriate, such Lease and Power Purchase Agreement to be

substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and Power Purchase 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 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: Guy Asadorian, Jr., Shannon Brawley, John A. Dorsey, Martha Holt Castle, Carol Hueston, Scot Jones, Kerry P. McKay, and James Rugh.

Voting Against were: None.

Unanimously Approved.

5. **PRESENTATION:**

Gerald Lavallee from CB Richard Ellis provided the Board with a brief overview of the current Industrial Market noting most significantly that vacancy and availability measured in square footage is down for 2015 as compared to recent years. Mr. Lavallee also noted that the market for large industrial space over 150,000 square feet is very limited and 72% of the available industrial buildings in Rhode Island were built before 1950. Mr. Lavallee noted the lack of options leads many potential tenants to build to their own facilities to suit their needs as is exemplified in the recent Greencore and Edesia buildings within the Quonset

Business Park (“QBP”). Mr. Lavalley also remarked that Rhode Island lags far behind Massachusetts and Connecticut in available modern large spaces. Mr. Lavalley completed his presentation by reviewing the many QBP advantages in the Industrial Market including the experienced staff, relationship with the Town, types of sites available, lease incentives, pre-permitting, and multi-modal transportation including highway, air, sea and rail.

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

Prior to adjournment, Mr. Batty advised the Board that Mr. King and Mr. Barry were notified in writing that an executive session was going to be held to discuss job performance and compensation. Mr. King and Mr. Barry were given the option to request the discussion be held in public session but they have made no such request.

Upon motion duly made by Mr. McKay and seconded by Ms. Hueston, the Board:

**VOTED:** To adjourn to Executive Session pursuant to subsection (1) (Any discussions of the job performance, character, or physical or mental health of a person or persons provided that such person or persons affected shall have been notified in advance in writing and advised that they may require that the discussion be held at an open meeting; subsection (2) (Sessions pertaining to collective bargaining or litigation, or work sessions pertaining to collective bargaining or litigation); subsection (6) (location of prospective businesses in Rhode Island), and subsection (7) (A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest) of Rhode Island General Laws, Section 42-46-5(a), the Open Meeting Law.

Voting in Favor: Guy Asadorian, Jr., Shannon Brawley, John A. Dorsey, Martha Holt Castle, Carol Hueston, Scot Jones, Kerry P. McKay and James Rugh.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive session at 6:05 p.m. The meeting reconvened in Public Session at 7:34 p.m. Mr. Rugh left the meeting after adjournment of the public session and was not present for the executive session.

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

Upon motion duly made by Ms. Hueston and seconded by Mr. Jones, 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 or adversely affect the public interest.

Voting in Favor: Guy Asadorian, Jr., Shannon Brawley, John A. Dorsey, Martha Holt Castle, Carol Hueston, Scot Jones, and Kerry P. McKay.

Voting Against were: None.

Unanimously Approved.

**8. VOTE TO APPROVE COMPENSATION FOR THE MANAGING DIRECTOR & FINANCE DIRECTOR:**

Job performance and compensation were discussed at length in executive session.

Upon motion duly made by Ms. Hueston and seconded by Mr. Jones, the Board:

**VOTED:** That the Corporation accepts and approves the report of the Finance/Compensation Committee regarding executive compensation dated July 10, 2015. The Committee reviewed with the Board of Directors the job performance review conducted by the Committee for the Managing Director, Steven King and the materials and resources utilized by the Committee to complete its recommendations, including, the Performance Planning and Appraisal dated June 10, 2015, Chief Executive Compensation Research and Recommendations Report dated July 2015 and Executive Compensation Assessor.

**VOTED:** To approve a two percent (2%) increase in base salary for the Managing Director which is a base salary of \$188,582.70 annually, and to approve an annual performance bonus for the Managing Director recognizing the several historical milestones reached at Quonset Business Park during the last year, including park employment exceeding 10,000 employees (1,000 additional during the last year) and substantial new construction including EB Expansion, Greencore Facility and Edesia Facility. The approved performance bonus amount is \$18,488.00.

**VOTED:** To approve and accept the Finance/Compensation Committee Memo and recommendation regarding compensation for the Finance Director, which will be base salary of \$117,150.00.

Voting in Favor: Guy Asadorian, Jr., Shannon Brawley, John A. Dorsey, Martha Holt Castle, Carol Hueston, Scot Jones, and Kerry P. McKay.

Voting Against were: None.

Unanimously Approved.

9. **ADJOURNMENT:**

Upon motion duly made by Ms. Hueston and seconded by Mr. Asadorian, the meeting adjourned at 7:35 p.m.

Respectfully submitted:

By:   
E. Jerome Batty, Secretary

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