

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

FEBRUARY 20, 2018

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, February 20, 2018, 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 By-Laws 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., Susan Leach DeBlasio, Scot A. Jones, John Justo, Stefan Pryor, Gregory A. Mancini, Job Toll and Richard A. Welch. Absent was: Kerry P. McKay and Guillaume de Ramel. Also present were: Steven J. King, P.E., Managing Director; Ryan M. Gainor, Assistant Secretary and Corporation's staff and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 5:07 p.m. by Chairman Stefan Pryor.

2. **APPROVAL OF MINUTES:**

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

VOTED: To approve the Public and Executive Session Minutes of the January 17, 2018 meeting as presented.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Job Toll.

Voting Against were: None.

Unanimously Approved.

3. **STAFF REPORTS:**

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

Mr. Welch joined the meeting at 5:12 p.m. and Mr. Mancini joined the meeting at 5:23 p.m.

Mr. King welcomed the newest member of the QDC Board of Directors, Richard Welch. Mr. Welch is currently the president of the North Kingstown Town Council and previously served as a QDC Board member.

Mr. King announced the Army Corp of Engineers (“ACOE”) will be holding a public meeting on March 8, 2018 at 6:30 p.m. in the QDC Annex building regarding the former Nike Battery Site, PR 58, located near the new ball fields. The meeting is being held to discuss the ACOE’s proposed alternative #6; remedy ground water issues.

4. **COMMITTEE REPORTS:**

No committee meetings were held.

5. **APPROVALS:**

A. Approval of Lease Amendments with MBQ, LLC for the Construction of Gateway Office Building 4:

Mr. King stated the Corporation is seeking approval to enter into a lease/building development agreement for the 4th building in the Gateway Office Building project. The original Gateway Campus proposal was for 5 buildings; the Corporation is opting to build just one larger 21,000 SF building on the land rather than two (2) smaller buildings. Mr. King noted that buildings 1-3 are at 92% occupancy.

Mr. King advised the Board this project will cost an estimated at \$4.1 million dollars and is the largest of the buildings in the group to be constructed. As with the previous buildings, this project is being built by a developer, MBQ LLC, who is financing the development. The Corporation will then lease the building back from MBQ LLC and will have an option to purchase the building for \$1.00 at the end of the lease period. The financing of the building is on an accelerated amortization schedule and the loans for the first three (3) buildings have been combined; building 4 will also be combined with the original loan upon completion. Mr. King noted the term for the amortization schedule will be ten (10) years, opposed to the previous buildings that had a six (6) year term, which will reduce the Corporation’s net annual investment by \$102,600 annually once the building is completed. The developer will be paid a 7.5% fee which is consistent with the previous buildings.

Mr. King stated the architecture is consistent with the previous buildings; a one-story wood frame construction. Since this building will be the largest of the Gateway buildings, a few features will be added to the roof line to make it look more prominent. Mr. King noted this type of building has been very successful as it allows small businesses to operate and grow at Quonset.

Mr. Justo asked if buildings 1-3 met the budget for construction cost. Mr. King stated the costs did come in at budget and the estimate of this project is based on the experience of building the first three (3) buildings.

Mr. Jones asked if “office services” will be provided at the buildings. Mr. King stated, the Corporation has a full-time employee who services the buildings, answers and directs calls, and coordinates use of conference space.

Upon motion duly made by Mr. Jones and seconded by Mr. Justo, 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 amendments to the Ground Lease and Sublease Agreements or new leases with purchase options with MBQ, LLC, a Rhode Island limited liability company for the construction of additional Buildings in the Gateway District and other agreements related thereto as appropriate, such Lease amendment or new leases to be substantially in accordance with the Request for Board Authorization presented to the Board (the Lease amendment or new leases 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: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

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

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

VOTED: To adjourn to Executive Session pursuant to: citing of business in Rhode Island, subsection (1) 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 and subsection (2) sessions related to litigation and 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 were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:27 p.m. The meeting reconvened in Public Session at 5:50 p.m.

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

Upon motion duly made by Mr. Welch and seconded by Mr. Mancini, 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 were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

8. ADJOURNMENT:

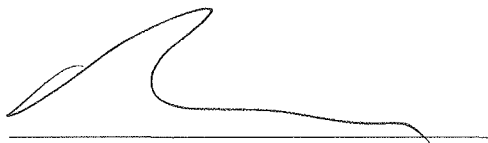
Upon motion duly made by Mr. Jones and seconded by Mr. Toll, the meeting adjourned at 5:51 p.m.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, Scot A. Jones, John Justo, Gregory A. Mancini, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By: 
Ryan M. Gainor, Assistant Secretary