

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

OCTOBER 15, 2018

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 4:00 p.m. on Monday, October 15, 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, John Justo, Kerry P. McKay, Stefan Pryor, Guillaume de Ramel, Job Toll and Richard A. Welch. Absent was: Scot A. Jones and Gregory A. Mancini. Also present were: Steven J. King, P.E., Managing Director; Kevin M. Barry, Finance Director; John R. Pariseault, Secretary and Corporation's staff and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 4:01 p.m. by Vice Chairman Guy Asadorian, Jr.

2. **APPROVAL OF MINUTES:**

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

VOTED: To approve the Public and Executive Session Minutes of the September 18, 2018 meeting as presented.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

Stefan Pryor joined the meeting at 4:02 p.m. and assumed the Chair.

3. **STAFF REPORTS:**

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

COMMITTEE REPORTS:

The Audit-Finance Compensation Subcommittee held a meeting on October 15, 2018 at 3:00 p.m. A report will be provided during the FY2020 budget presentation.

5. APPROVALS:

A. Approval of the FY2020 Budget:

Mr. Barry reviewed the FY2020 Budget, noting revenues are projected to increase primarily from an increase in rental income. Mr. Barry noted that the Municipal Services Agreement (“MSA”) revenue with the Town of North Kingstown, pending approval of an agenda item, will also increase due to a change in the North Kingstown’s Fire Department’s lease changing from a rental agreement to a license agreement and falling under the MSA instead of rental income. Overall revenue is projected to increase 5.3% from the FY2018 actual numbers and 11.8% from FY2019 budgeted numbers which is based on conservative estimates.

Mr. Barry next reviewed the FY2020 expenses; the Corporation employee count will be increased to 46 FTE and the Corporation has budgeted a 3% salary increase for employees in FY2020. Mr. Barry also pointed out that fringe benefits, including medical costs, have been budgeted to increase to 7%, but pointed out that forecasting medical costs can be very difficult. Overall, “Personnel Expenses” are up 7.5% over FY2019.

Continuing, Mr. Barry reviewed the remaining operating expenses noting the addition of “Lease Expense” on the FY2020 budget which was created for the expense of the master sublease agreements on the new Flex Buildings.

Mr. Barry finished by reviewing the Capital Budget for FY2020 with the Board.

Mr. Asadorian, the Audit Finance Committee Chairman, advised the Board that the Audit Finance Committee had thoroughly reviewed the budget with Mr. Barry and Mr. King and tested many of the assumptions. Mr. Asadorian stated the Committee would like to recommend to approval of the FY2020 Operating Budget by the full board.

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

VOTED: To accept the FY2020 Operating Budget as presented to the Board.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

B. Appointment of Officers of the Quonset Development Corporation in accordance with the By-Laws of the Corporation:

Upon motion duly made by Mr. Ramel and seconded by Mr. Asadorian, 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:

<u>Name</u>	<u>Office</u>
Steven J. King, P.E.	Managing Director
Kerry P. McKay	Vice Chairman
John R. Pariseault	Secretary
Ryan M. Gainor	Assistant Secretary
Thomas W. Madonna, Jr.	Assistant Secretary
Kevin M. Barry	Finance Director

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

6. Approval of the 2019 Meeting Schedule

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

VOTED: To accept the 2019 Quonset Development Meeting dates calendar as presented.

Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

7. Approval of a PILOT Agreement with Infinity Meat Solutions, LLC and the Town of North Kingstown:

Mr. King stated Infinity Meat Solutions, LLC is seeking to enter a 15-year PILOT Agreement with the Town of North Kingstown. The North Kingstown Town Council has

already approved the agreement and as the Corporation is a party to the agreement, the QDC Board of Directors must also approve. The agreement mirrors similar agreements that were approved, for example, for Finlay Extracts & Ingredients USA except that this agreement includes both the building and the land; previous agreements included only the land.

Upon motion duly made by Mr. Asadorian and seconded by Mr. Toll, 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 PILOT Agreement (and related instruments as deemed appropriate by the Authorized Officers) with Infinity Meat Solutions, LLC and the Town of North Kingstown, the terms of such PILOT Agreement to be substantially in accordance with the Request for Board Authorization presented to the Board (the PILOT Agreement and such 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, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

8. Approval of the Second Amendment to the Municipal Services Agreement (“MSA”)

Mr. King explained the Corporation is seeking approval of a Second Amendment to the Municipal Services Agreement to add the cost of the maintenance of the new athletic fields at 34 Camp Thomas Way, North Kingstown and to terminate the Fire Equipment and Apparatus space lease agreement and to instead, add a license agreement for the Fire Apparatus space.

Mr. King explained the addition of the 20 acres of the athletic fields under the MSA increases the total acres maintained by the Corporation for the benefit of the Town to 701. Mr. King stated under the new agreement, the Town will pay \$595.73 per acre (3% increase) and the cost for the addition of the ballfield maintenance is \$25,000.00. The amendment then grants the Town use of the fields.

Mr. King continued by outlining the license agreement for the Fire Apparatus space which would give the Corporation some flexibility to move the Town’s fire equipment and apparatus space to another building should the opportunity arise to lease the building and surrounding 10 acres in the future currently occupied by the Town fire department at 545 Callahan Road, North Kingstown. The current lease agreement with the Town Kingstown would be terminated and the Town and the Corporation would share the cost of the Apparatus Housing, saving the Town over \$13,000 per year when factoring in all the MSA changes including revenue generated by taxes.

Upon motion duly made by Mr. Ramel 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 Second Amendment to the Municipal Services Agreement, dated July 6, 2010, as amended, (the “MSA”) with the Town of North Kingstown and the Rhode Island Commerce Corporation, acting by and through its agent and attorney in fact (and related instruments as deemed appropriate by the Authorized Officers), relating to certain terms and conditions relative to certain municipal services, as further described in the MSA, the terms of the Second Amendment to the MSA to be substantially in accordance with the Memorandum from the Managing Director presented to the Board (the Second Amendment to the MSA and such 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, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

9. Approval of a Ground Lease with Commodity Haulers Express, Inc.

Mr. King reviewed the Board Authorization Memo with members of the Board, stating that Mr. Robert Izzi, President of Commodity Haulers Express, Inc. ("Commodity Haulers") is interested in leasing 1.7 acres located at 39 Foliage Drive. Mr. Izzi runs a trucking company at Quonset now and currently leases warehouse space in West Davisville. Mr. Izzi proposes to build a 5000 square foot building on the land primarily for vehicle maintenance and employ 12 full-time employees on site and 6 independent drivers.

Mr. King explained Commodity Haulers is interested in an agreement for \$17,500 per acre per year for 10 years and would be eligible for QDC's standard incentives to include term and wage discounts. The lease also includes two 5-year options to extend the lease.

Upon motion duly made by Mr. Ramel and seconded by Mr. Toll, 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 Ground Lease (and related instruments as deemed appropriate by the Authorized Officers) with Commodity Haulers Express, Inc. (“Commodity Haulers”), relating to that certain parcel of land located at 39 Foliage Drive, being approximately 1.7 acres, and commonly known as Site Readiness Parcel 46, located in North Kingstown, designated as North Kingstown Tax Assessor Plat 180, Lot 17, the terms of such Ground Lease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Ground Lease and such 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, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

10. Approval of a Lease of Gateway Office Building 4 to Amax, Inc.

Mr. King stated that Amax, Inc. is requesting to lease the entire 22,057 square feet of the Gateway Office Building 4 which is currently under construction. Mr. King reviewed the agreement noting Amax, Inc. is seeking a 10-year lease with one option to extend the lease an additional 5 years. The starting rent will be \$14.75 per square foot per year, escalating in year 6 to \$16.23 per square foot, and then \$17.85 per square foot if the option is exercised. Mr. King noted that Amax, Inc. has 30 employees but is looking to grow their business to 50 employees. Mr. King reminded the Board that the Corporation pays all utilities, insurance, taxes and operating expenses on the Gateway office buildings. These buildings are not owned by the Corporation and are taxed by the Town of North Kingstown.

Upon motion duly made by Mr. McKay and seconded by Mr. Welch, 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 related instruments as deemed appropriate by the Authorized Officers) with Amax Incorporated relating to a building situated at 50 Romano Vineyard Way, North Kingstown, being a 22,057 SF office building, commonly known as Gateway Office Phase 4, the terms of such Lease Agreement to be substantially in accordance with the Request for Board Authorization presented to the Board (the Lease Agreement and such 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, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved

6. ADJOURNMENT:

Upon motion duly made by Mr. Ramel and seconded by Mr. McKay, the meeting adjourned at 4:41 p.m.

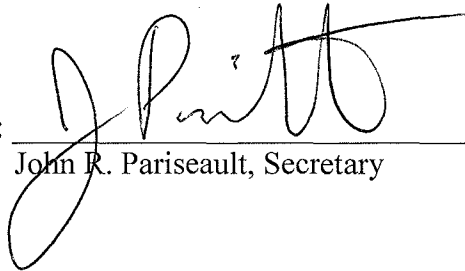
Voting in favor were: Guy Asadorian, Jr., Susan Leach DeBlasio, John Justo, Kerry P. McKay, Guillaume de Ramel, Job Toll and Richard A. Welch.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By:



John R. Pariseault, Secretary