

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

August 16, 2010

**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, August 16, 2010, 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, Barbara Jackson, John G. Laramée, Richard Pastore, John Patterson, B. Michael Rauh, Sav Rebecchi, and John G. Simpson. Absent were Kas DeCarvalho 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 5:07 p.m. by Vice Chairman Simpson.

Mr. Simpson welcomed B. Michael Rauh as the newest member of the Quonset Development Corporation Board of Directors.

**2. APPROVAL OF MINUTES:**

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

**VOTED:** To approve the Public Session minutes of the June 21, 2010 meeting, as presented.

Voting in favor were: James Berson, Robert H. Breslin, Barbara Jackson, John G. Laramée, B. Michael Rauh, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously approved.

**3. STAFF REPORTS:**

Mr. King reviewed the Staff Report with the Board.

**Grants:**

- TIGER Grant and EDA Grant work is proceeding.

#### Development and Planning:

- Site Readiness Project – QDC is undertaking a project to design & permit proposed construction activity on the remaining 33 available parcels in the Park. Mr. King handed out a map identifying the parcels (Exhibit A). Mr. King explained that some the remaining lots have been combined to make the best use of the land to date. The sites currently under contract with Deep Water Wind have intentionally been omitted from the project.
- Development Regulations – Staff is working with Jon Reiner and the Town of North Kingstown on revisions to the Development Regulations that will serve to implement the recent Municipal Services Agreement, as well as provide for general updates to reflect current storm water and wastewater regulations.
- Amtrak – The Amtrak Lease has been executed.

#### Construction:

- NOAA building – Work on the building is essentially complete. Staff is working on the final punch list.

#### Operations:

- Water Tower – The West Davisville water tower and the Ladd water tower painting has been completed. The West Davisville water tower now shows the Quonset Business Park logo.

#### Port Operations:

- Port News – NORAD has signed an agreement with Ford Motor Company to process 25,000 Ford vehicles through Quonset Port. Mr. King noted that the new agreement will be a significant lift to Seaview Railroad which processed 252 rail cars from NORAD this month, up from last month's 101 cars.

#### Finance and Administration:

- Initial year end audit field work has been completed. Final audit reports will be distributed at the September Board meeting.
- 2012 Operating budget will be ready for review and approval at September Board meeting.
- The Capital budget related to the 2004 bond issues has been updated and submitted to the state budget office for fiscal year 2012. Two projects remain under the bond:
  1. Roof replacement on building 318
  2. Jones Road improvements.

Mr. Pastore joined the meeting at 5:18 p.m.

Upon questioning from Mr. Patterson, Mr. King elaborated on the steps currently underway to implement the Municipal Services Agreement; including working under a joint contract with the Town and utilizing the Town's planning consultant to develop one set of rules and regulations. Mr. King remarked that they are discussing the possibility of using funds from the Joint Infrastructure Fund for this purpose.

#### 4. COMMITTEE REPORTS:

There were no subcommittee meetings reports.

5. **APPROVAL REQUESTS:**

A. **Approval of the Corporation's Operating Plan:**

Mr. Simpson noted that the purpose of this document is to create a sustainable Operating Plan that would be in accordance with the Master Land Use and Development Plan.

Mr. Simpson explained that a draft was provided to the Board and comments and suggestions were requested. The document before the Board for approval has incorporated those comments. Mr. Simpson asked if there were any additional questions or comments.

Mr. Berson suggested that the header on page one be changed so that FY 2011 was removed or changed to include an end date. Mr. Berson suggested using the goals and objectives as a dashboard for annual reporting. A discussion ensued on feasibility and necessity of an annual staff report on status of meeting those goals and objectives. Mr. Rebecchi made a motion to approve the Operating Plan with the amendment to the vote to include annual reporting. A poll of the members (7 in favor, 3 against) resulted in the modification of the vote to include an annual Staff report.

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

**VOTED:** That the Corporation hereby approves and adopts the Operating Plan for the Corporation with the amendment to add the requirement of annual staff reporting on the goals and objectives of the Plan.

Voting in favor were: James Berson, Robert H. Breslin, Barbara Jackson, John G. Laramee, Richard Pastore, B. Michael Rauh, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

B. **Approval and authorization for the filing of the Grant Application and the execution and delivery of the Grant Agreement and all related documents relating to the TIGER Grant:**

Mr. King explained the Corporation was notified back in February of grant approval under the Transportation Investments Generating Economic Recovery (TIGER) as part of the American Recovery and Reinvestment Act of 2009; however, a written agreement has not been executed. Mr. King stated that the Corporation has had several meetings with the Maritime Administration (grant administrator) and has been notified that the Corporation will receive twenty-two million (\$22,000,000.00) dollars in federal funding under the grant. And Mr. King noted that the Maritime

Administration (“MARAD”) has issued the Corporation a letter of conformance under the National Environment Policy Act.

Mr. King asked Katherine Trapani, Planning Manager, to go over the proposed projects under the TIGER grant. Ms. Trapani referred to tab 4 of the Board of Director’s packets and reviewed the 6 major projects:

1. Pier One Improvements totaling \$3,160,000.00
2. Pier Two Improvements totaling \$800,000.00
3. Crane Operations totaling \$10,400,000.00
4. Terminal Project totaling \$4,000,000.00
5. Rail Improvement Projects totaling \$950,000.00
6. Road Projects totaling \$3,000,000.00.

Mr. Simpson questioned the projects were all dependant upon TIGER grant funds and if the Corporation has moved forward on any of the projects without the executed agreement. Ms. Trapani advised that the Corporation has entered into three design and engineering Contracts related to the projects costing a total of \$438,700, however, no construction contracts have been initiated. Mr. King confirmed that all the projects depend on TIGER funding. Mr. King explained that the projects that were selected were prioritized because they add lasting value to the Park.

Mr. King continued, expressing concern over the requirement that all work be completed by February 2012 and that the Corporation provide one million four hundred thousand (\$1,400,000.00) in matching funds for engineering and design when no written confirmation of grant funds has been received. Mr. King added his primary concern relates to payment as the Corporation does not have a line of credit to float a \$22,000,000.00 project. Initially, the MARAD indicated that the Corporation could execute contracts and get reimbursed on an invoice. However, the draft agreement that the Corporation has received indicates that bills must be paid prior to reimbursement. Mr. King stated if funding could be resolved, the remaining QDC obligations under the grant were achievable.

Mr. Laramee questioned if Deep Water Wind (as a private partner for the grant) would be able to reapply for funds under this grant. He noted that some of the projects the Corporation initially considered for the grant but discarded might directly benefit them. Mr. King responded that Deep Water Wind would not be able to apply under the TIGER grant but that many of the current projects under the Grant would directly benefit them. Mr. King noted that Deep Water Wind had always intended to fund any infrastructure improvements need for their project and any funds from the TIGER grant was a bonus.

The Board discussed the mobile harbor crane and Mr. King noted that although the crane would be paid for by the grant, there will be operating cost, fuel and other expenses associated with it. Mr. King added that the Corporation has engaged a port economic consultant to help determine a rate structure for renting the crane that would sustain its costs.

Mr. Patterson asked how the design and engineering costs were funded. Mr. King explained that the funds would come from the Operating account.

Upon motion duly made by Mr. Laramee and seconded by Mr. Berson, 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 file the application with the United States Department of Transportation, Maritime Administration for Grant Funding under the American Recovery and Reinvestment Act of 2009 Transportation Investments Generating Economic Recovery (TIGER) Discretionary Grant Program, including all understandings and assurances contained therein and other agreements related thereto (the "Application"), and to enter into, execute and deliver the Grant Agreement with the U.S. Department of Transportation, acting for the United States, substantially in accordance with the draft presented to the Board including all understandings and assurances contained therein and the performance of its agreements set forth therein (the Application and Grant Agreement and all related documents are herein collectively referred to 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 such 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 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.

**VOTED:** That the Corporation does hereby ratify, authorize, adopt, confirm and approve any and all actions taken or caused to be taken by any of the Authorized Officers in connection with and/or in furtherance of the transactions contemplated by the foregoing resolutions at any time prior to the effective date hereof as fully and completely as if taken on or after the effective date hereof

including without limitation the execution and filing of the Application and all related documents.

Voting in favor were: James Berson, Robert H. Breslin, Barbara Jackson, John G. Laramée, Richard Pastore, B. Michael Rauh, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

C. Approval of acquisition of land from R.I. Department of Transportation (Gate Road at Enterprise Drive):

Mr. King explained that this parcel is excess land to the Gate Road right of way following the abandonment of Enterprise Drive. This piece will be combined with the development lot east of the hotel parcel in the Gateway district. Mr. King noted this transaction was approved conceptually by the Board in January 2010 as a swap, however, RIDOT and FHWA regulations require the land to be purchased at fair market value. The piece of land is approximately .05 acres and RIDOT has appraised the land at \$0.87 per square foot. The total cost to the Corporation is \$2001.00.

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

**VOTED:** That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to purchase, as agent and attorney in fact of Rhode Island Economic Development Corporation, from the Rhode Island Department of Transportation certain property on Gate Road at Enterprise Drive substantially in accordance with the Request for Board Authorization presented to the Board and subject to obtaining all appropriate approvals and consents related thereto (hereinafter referred to as the "Agreement").

**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 such Agreement or as any of the Authorized Officers acting singularly or 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 Agreement and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreement, including any and all deeds, agreements, contracts,

certificates, licenses, assignments, 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.

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Voting in favor were: James Berson, Robert H. Breslin, Barbara Jackson, John G. Laramie, Richard Pastore, B. Michael Rauh, Sav Rebecchi, and John G. Simpson.

Voting Against were: None

Unanimously Approved.

There being no further business to come before the Board, upon motion duly made by Mr. Berson and seconded by Mr. Breslin, the meeting was adjourned at 6:02 p.m.

Respectfully submitted:

By:   
E. Jerome Batty, Secretary