

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

January 12, 2009

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, January 12, 2009, 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 directors constituting a quorum were present and participated throughout the meeting as indicated: James D. Berson, Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Richard Pastore, John A. Patterson, Sav Rebecchi, J. Michael Saul, John G. Simpson and Keith W. Stokes. Absent was: Robert H. Breslin. Also present were: Steven J. King, P.E., Managing Director; E. Jerome Batty, Secretary; Kevin M. Barry, Finance Director; members of the Corporation's staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:05 p.m. by Chairman Saul.

Mr. Saul introduced himself to the Board of Directors as the Interim Executive Director of the Rhode Island Economic Development Corporation. Mr. Saul added he was delighted to have the opportunity to work with the Board.

2. APPROVAL OF MINUTES:

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

VOTED: To approve the Public Session minutes of the November 17, 2008 meeting, as presented.

Voting in favor were: James D. Berson, Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Richard Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

3. STAFF REPORTS:

The Corporation's Managing Director, Mr. King, presented his report to the Board.

Development and Planning:

- Lowe's has invited the Board to their "Board Cutting" Ceremony scheduled for January 15th at 10:00 a.m.
- Correspondence related to the special legislative study commission to review the project approval process for the Quonset Development Corporation has been received from Senator Sheehan. Mr. King noted that the commission will consist of 9 members; Doug Riggs was appointed by the previous Chair to represent the Corporation. Mr. Riggs has built and owns 4 buildings in the Quonset Business Park® ("QBP") and has multiple tenants in those buildings. Mr. King added that the remainder of the commission consists of: 1 RIEDC appointment (that has yet to be determined), 3 Senate appointments, 3 North Kingstown appointments, and 1 appointment by Statewide Planning. The hearing will take place on Wednesday, January 14 at 3:00 p.m. in room 310 of the State House. Mr. Berson requested regular updates. Mr. King added that David Preston from New Harbor Group will be attending the hearing for the Corporation. Mr. Saul added that Bill Parsons and Fred Hashway from the RIEDC will also be in attendance.
- An invitation letter will be going out to all State Legislators to Tour the QBP.

Mr. King reviewed the remaining points outlined in Tab 2 of the Quonset Board of Director's package a copy of which is attached hereto.

4. COMMITTEE REPORTS:

Ms. Jackson, reported that the Audit/Finance Committee met prior to the Board meeting and voted to approve the minutes from September 15, 2008 and elected a new chair. Ms. Jackson was elected Chair the Audit /Finance Committee.

Ms. Jackson also advised the Board that mid-year financials were reviewed at the committee meeting and looked good. Ms. Jackson noted that the Corporation has not drawn from the State Bond reserves and has been able to adopt a "pay as you go" policy in the last year, thus eliminating the appearance of an operating surplus. Mr. Barry noted that the Corporation has been able to pay for "Bond Projects" from operating funds due to a weather related project slow down in the last quarter of 2008.

Mr. Saul provided an update on the State response to the Federal Stimulus Package and its possible effect on Quonset Business Park®. Highlights included:

- Tax credits – renewable energy credit; possibly impacting the Deepwater Wind project.
- Social component - Medicare, food stamps.

- Additional funds will be distributed to the States.
- \$1 Billion possible stimulus to Rhode Island spread over 2 years.
 1. Initial funds from the Federal government will go to fund established programs: grants, HUD, Federal highways, etc.
 2. The second round of funding scheduled for 2010 will include earmarked projects.
 3. EDC will propose the creation of an Office of Economic Recovery. That office will consist of key groups including representatives of EDC, DOT, Division of Planning, and leadership from both the House of Representatives and the Senate. The Office of Economic Recovery will act as an advisory office to the State General Assembly.
 4. All projects will go through the Office of Economic Recovery so projects can be assessed on their economic impact.
 5. Data of existing projects from State agencies and all thirty-nine (39) cities and towns is being gathered in a central database. Private institutions will be contacted as well
 6. EDC has hired a lobbyist in DC to stay on top of the issues.

Mr. Saul noted that the Quonset Business Park should be a beneficiary of the stimulus and should be working to identify capital needs. Mr. King added that the Corporation began working on a list of projects and has come up with about \$75 million in projects that may qualify for federal stimulus funds.

Mr. Patterson asked if the Governor's EDC review panel will effect the new Office of Economic Recovery. Mr. Saul answered that the new office will be in place strictly to handle the State economic stimulus funds.

Mr. Saul noted that the Governor's EDC review panel will meet on Thursday, January 15th. The panel will act strictly as an advisory group to the Governor at this point. Mr. King will be in attendance to present an overview of the QBP.

Mr. Saul stated he would report back to the Board any relevant information.

Mr. Berson questioned how the Corporation could control its own destiny with so many commissions and boards in play, especially, if policy is being set without the Corporation's input.

Mr. DeCarvalho added that QBP is a State asset, which should to be developed to maximize its benefit to the State as a whole, but QDC must have a seat at the table to do that. Mr. Saul agreed but stated the importance of a holistic approach and the need for site readiness.

Mr. Pastore requested that the Providence Journal also be invited to QBP for a Tour. Mr. King apologized for not introducing Mr. Pastore earlier as the newest member of the Quonset Development Corporation's Board of Directors. Mr. Pastore was appointed by the Town Council of North Kingstown, along with Mr. Patterson. Mr. Pastore is the Chairman of the North Kingstown Planning Commission.

5. **APPROVAL REQUESTS:**

A. **Approval of Land Lease to MI, LLC/ NORAD, Inc.:**

Mr. King advised the Board that NORAD, Inc. is interested in leasing 15.5 acres of property located adjacent to the Port of Davisville in the Davisville Waterfront District. Mr. King explained that this parcel was conveyed to the Corporation, through the Public Benefit Conveyance by the US Maritime Administration. The parcel's uses are restricted to maritime purposes only. NORAD, Inc.'s intended use for the land is in compliance with this regulation, the Quonset Development Corporation's Master Land Use and Development Plan, and the North Kingstown Comprehensive Plan.

Mr. King pointed out the recent news articles that highlighted the dramatic import activity at the Port of Davisville. Specifically, in the past 5 years the number of vehicle imports at the Port averaged eighty-six thousand (86,000) and in 2008 that number increased to one hundred nine thousand (109,000) and is anticipated to increase to one hundred sixty thousand (160,000) in 2009. The requested additional lease space is intended to relieve some of the congestion as the cars come off the dock.

Mr. King reviewed the details of the lease as outlined in the Request for Board Authorization. Mr. King added that NORAD, Inc. is currently in negotiations with other customers with the intent to bring more vehicles to the Port. NORAD, Inc. has up to three hundred (300) employees, and expects to hire another 30 or so employees in the next year. All the workers are unionized, receiving excellent wages. This property has been vacant since 2000. Mr. King introduced Michael Miranda, President of NORAD, Inc.

Mr. Miranda reported that NORAD, Inc. is in current negotiations that could vastly increase their import numbers and that they needed the space for the additional vehicles. Mr. Miranda explained that earlier this year, he made a proposal to Audi and Volkswagen to move imports from Delaware to the Davisville Port. NORAD, Inc., is the largest Audi/Volkswagen importer in North America. Mr. Miranda noted that there is potential to further increase import volume by relocating other car manufactures to the Port of Davisville. Upon questioning from Mr. Patterson, Mr. Miranda indicated that NORAD, Inc., could possibly grow to handle up to 300,000 vehicles, but they are limited by pier space.

Mr. Patterson requested that information regarding the number of expected jobs be added back to the form transaction sheet. Mr. King agreed to add this information to the real estate transaction sheets going forward.

Upon motion duly made by Mr. Laramee and seconded by Mr. Patterson, 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 deliver a Lease Agreement, and other agreements related thereto with MI, LLC, or an affiliated entity (the "Lease"), and to enter into, execute and deliver a Lease Amendment with MI, LLC with respect to the Lease dated March 1, 2007 between the Corporation and MI, LLC (the "Lease Amendment"), substantially in accordance with the Request for Board Authorization presented to the Board (the Lease, Lease Amendment 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 such 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 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 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.

Voting in favor were: James D. Berson, Kas DeCarvalho, Barbara Jackson, John G. Laramee, Richard Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

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

VOTED: To adjourn to Executive Session pursuant to Subsection (5) – (Acquisition or Lease of Real Estate for Public Purposes or Disposition of Publicly held Property), Subsection (6) – (Location of Perspective Businesses in Rhode Island) and Subsection (7)- (Investment of Public Funds) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

Voting in favor were: James D. Berson, Kas DeCarvalho, Barbara Jackson, John G. Laramee, Richard Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes.

Voting Against were: None

Unanimously Approved.

The meeting adjourned to Executive Session at 6:20 p.m. The meeting reconvened in Public Session at 7:18 p.m.

There being no further business to come before the Board, upon motion duly made by Mr. Berson and seconded by Mr. Patterson, the meeting was adjourned at 7:20 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary