

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

December 10, 2012

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, December 10, 2012, 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: Robert H. Breslin, Jr., Elizabeth Dolan, Barbara Jackson, John G. Laramee, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh and John G. Simpson. Absent were: Kas R. DeCarvalho, James Berson, and William J. Parsons. 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 5:03 p.m. by Vice Chairman John G. Laramee.

2. **APPROVAL OF MINUTES:**

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

VOTED: To approve the Public Session minutes of the October 15, 2012 meeting, as presented.

Voting in favor were: Robert H. Breslin, Jr., Elizabeth Dolan, John G. Laramee, Anthony F. Miccolis, Jr., John A. Patterson, James Rugh and John G. Simpson.

Voting Against were: None.

Unanimously Approved.

3. **PRESENTATION OF ECONOMIC IMPACT STUDY BY BRYANT UNIVERSITY:**

Mr. King stated that the Corporation asked Bryant University to complete an economic impact study to research the return on the investment and to gain a greater understanding of the impact of the Quonset Business Park ("QBP"). Mr. King introduced Dr. Edinaldo Tebaldi Director of Bryant University's Center for Global and Regional Economic Studies.

(Barbara Jackson joined the meeting at 5:15 p.m.)

Dr. Tebaldi explained that the purpose of the study was to determine the economic impact the Quonset Business Park has had on Rhode Island economy based on job numbers, income creation, and taxes. The study used input-output (I-O) multipliers;

- Account for inter-industry relationships within the state.
- Feedback through input-output linkages among firms and households who interact in regional markets. Firms buy and sell goods and services to other firms and pay wages to households. In turn, households buy goods from firms within the economic region.
- Economic impact of the QBP spreads to other local businesses through direct purchases from them as well as purchases of locally produced goods and services, which arise from the income derived by the employment that is created.

Dr. Tebaldi pointed out using the multiplier, for every dollar in income created at QBP, another dollar and fifty one cents is created across the state. Additionally, for every job created at QBP, another 1.42 job is created in Rhode Island. Dr. Tebaldi noted that these multipliers are very conservative in comparison to similar studies. Dr. Tebaldi stated currently there are roughly 8,860 full and part-time jobs at QBP (based on information provided to Bryant by QDC from previous employment surveys). Using this job data, there are 7,634 direct fulltime jobs at Quonset and 10,903 additional induced jobs in the state for grand total of 18,537 jobs. The Bryant team did attempt to collect new employment data but with just over 15% of the QBP tenants responding, compiling an accurate and up-to-date job count was very difficult. Dr. Tebaldi noted roughly 10% of QBP workers live outside RI and the numbers in the survey were adjusted to reflect that statistic. Direct income generated by QBP was almost four hundred million dollars (\$400,000,000.00) in 2011. Using the multiplier that income number jumps to five hundred fifty eight million dollars (\$558,000,000.00) induced earnings for a total of more than nine hundred fifty six million dollars (\$956,000,000.00) in earnings across Rhode Island. The third area studied was tax revenue which included only income tax benefits as corporate tax information was unobtainable for this study. Dr. Tebaldi found that there was approximately ten million dollars (\$10,000,000.00) in direct tax revenue based on wages earned in QBP; approximately fourteen million dollars (\$14,000,000.00) in induced revenue for a total of twenty five million dollars (\$25,000,000.00) across Rhode Island.

Dr. Tebaldi added that his team did survey QBP Tenants but had very low response rates. They were able to use 28 of the surveys and found the following:

- 1) In the past three years
 - a) 52% of the companies reported employment has remained the same
 - b) 39% of the companies reported employment has increased
 - c) 9% of the companies reported employment has decreased
- 2) In the next three years
 - a) 57% of the companies expect employment to remain the same
 - b) 43% of the companies expect employment to increase.

Mr. King thanked Dr. Tebaldi and his staff for their work and presentation.

4. STAFF REPORTS:

Mr. King reviewed the staff report with the Board.

TIGER Project

- TIGER projects are almost complete except for some work that continues on Pier 1.

EDA Project

- Construction of Compass Circle roadway work continues.

CMAQ Project – RI Fast Ferry Dock

- Project is scheduled to begin this month and involves construction of new timber mooring piles, timber piers, landing platform, timber dolphins, and gangway improvements.

Construction Project

- Port Security Improvements- grant awarded and new cameras and control system are being installed at the Port of Davisville by Integrated Security (low bidder).
- Davisville Road Drainage Improvements Phase 2 – This project consists of installation of a storm water drainage system in the sections of Davisville Road susceptible to flooding.

New Grant Application

- Senator Reed announced today at the Port Forum being held at the Community College of Rhode Island that Quonset Development Corporation was awarded a six million dollar (\$6,000,000.00) Economic Development Administration grant to replace the bulkhead along Zarbo Avenue. Mr. King thanked Katherine Trapani for her hard work during the grant application period.

Development and Planning

- The Gateway office construction is underway and going as planned.
- The abandoned portion of Roger Williams Way (10.44 acres) has been acquired from Rhode Island Department of Transportation. This right-of-way is an important utility corridor and may be used in the future for new rail sidings which are needed for rail car storage.
- Regulatory Reform – per the Governor’s request, QDC staff is participating in the review of its regulations.
- Freight Working Group – The Planning Manager and Port Director are working with staff from other agencies to establish a state freight committee which would be responsible for creating a state freight plan. This is a recommendation, but not a requirement, of the current transportation authorization act (MAP-21). It may lead to increased share of federal funding for freight projects.

Operations

- Hurricane Sandy Damage – Building E-319 sustained approximately 12,200 SF of roof damage. Mr. King acknowledged the hard work of Jack Sprengel to get repairs completed within two days of the incident. Mr. King also reported that the repairs cost one hundred ten thousand dollars which was covered by insurance except for the Corporation’s deductible which will be covered by FEMA.
- Gottwald Crane – was relocated to the west end of Pier 2 and secured in the storm cradle. No damage was sustained.

Port Department

- Port Activity remains brisk in November with 13 vessels discharging 12,824 finished vehicles. There were a total of 3180 auto racks unloaded and 395 rail cars. Mr. King advised he would have the annual numbers for the Board next month but confirmed that as November, this year’s totals already exceed last year’s totals.

Finance and Administration

- The Corporation’s financial picture continues to remain strong through November.

Special Notice

- A special mention is being made to the Maintenance Department, Water Department, and the Wastewater Department for all their above and beyond work in preparing the EB parcel for a new parking lot. Due to their assistance, EB was able to expedite their construction schedule.

5. **COMMITTEE REPORTS:**

No committee meetings were held.

6. **REVIEW OF MANAGING DIRECTOR’S IMPLEMENTATION PLAN:**

Mr. King stated that several of the QDC Board members have expiring terms and acknowledged that many of them had been very involved in the creation of the Operating Plan. The sustainable Operating Plan set forth a series of five goals and related objectives (Exhibit A). Mr. King believed that this was a good time to review the action items that were set forth in 2010. Mr. King advised that 34 out of 38 actionable items were complete or nearly completed (Exhibit B). The work involved in completing these action items was very significant and involved over forty two million dollars (\$42,000,000.00) in construction. Mr. King then shared new action items for 2013-2015 (Exhibit C). Mr. King thanked the Board members and staff for their great work toward these goals.

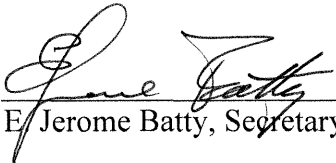
Mr. King presented plaques to four Directors with expiring terms and thanked them for their service to Quonset Development Corporation:

Barbara Jackson 2005-2012
 Jack G. Simpson 2005-2012
 Kas R. DeCarvalho 2005-2012
 John A. Patterson 2005-2012

The Board discussed the timeline involved with nominating and approving replacement directors to the Board of Directors. Mr. King advised the members that although their terms expired December 31, 2012, the Corporation would be greatly appreciative if they could continue to serve on the Board until their replacements have been appointed and approved by the appropriate authority.

There being no further business to come before the Board, upon motion duly made by Mr. Patterson and seconded by Ms. Jackson, the meeting was adjourned at 5:45 p.m.

Respectfully submitted:

By:  _____
E/ Jerome Batty, Secretary