

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS

WEDNESDAY, MARCH 19, 2008

4:00 P.M.

IN THE MARY BRENNAN BOARD ROOM

2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Board of Directors was called to order by Chair, Kathleen C. Hittner, M.D., at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

BOARD MEMBERS PRESENT: Kathleen Hittner, M.D; James Forte; Robert D. Sangster; Michael Traficante; Russell Hahn.

BOARD MEMBERS ABSENT: Joseph Cianciolo; Joseph Larisa

ALSO PRESENT: Kevin A. Dillon, A.A.E., President and CEO, and those members listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Mr. Forte and seconded by Mr. Hahn to

approve the minutes of the Board Meeting of February 20, 2008 and the Special Board Meeting of March 7, 2008. The motion was passed unanimously.

2. Open Forum:

Dr. Hittner asked if anyone present wanted to speak in Open Forum. Mr. Richard Langseth representing the Greenwich Bay Watershed Association asked to address the Board. Mr. Langseth's comments focused on the intermodal project and issues related to access to the facility by Amtrak. Mr. Langseth also provided the Board information regarding the intermodal bond ratings. Dr. Hittner thanked Mr. Langseth for his comments.

Mr. Don Vennell, representing Federal APD, addressed his concerns with the contract award for the Parking Revenue Control Equipment at T. F. Green Airport. Mr. Vennell's concerns focused on the replacement of the Federal APD revenue control system which is currently operational in Garage B.

3. Report from Chair, Board of Directors:

Dr. Hittner reported that she had accompanied Mr. Dillon to a meeting with Governor Carcieri. It was Mr. Dillon's first meeting with the Governor since his appointment as President and CEO in February 2008. Dr. Hittner reported that the meeting with the

Governor was followed by an interview with Channel 10, which was well received.

4. Report from President and CEO:

Mr. Dillon thanked the Board for the opportunity to serve as RIAC's President and CEO, and noted that he was impressed with the level of professionalism displayed by the staff.

Mr. Dillon reported that passenger numbers for the month of February were up 1.94%, and down 0.09% year to date. Mr. Dillon noted that this continues to be an industry trend.

Mr. Dillon reported that one of his primary goals is to visit the corporate offices of all the airlines currently serving T. F. Green Airport. Mr. Dillon stated that he is in discussion with staff to develop an incentive program which will be used for air service marketing. There was discussion on ways to structure such a program.

Mr. Dillon gave a brief overview of recent meetings with Mayor Avedisian and Governor Carcieri.

Mr. Dillon reported that he had met with Warwick City Council President Joe Solomon, and will meet with the full Warwick City Council on April 7, 2008. Mr. Dillon also noted that he is scheduled to meet with the Warwick Airport Land Use Commission on April 30, 2008.

Mr. Dillon reported that a meeting has been scheduled on April 24, 2008 in Middletown to brief residents on the vegetation removal program for Newport Airport.

Mr. Dillon reported that the next AAAC Meeting with the airline property representatives is scheduled for April 30, 2008.

Mr. Dillon reported that he has been invited to be the guest speaker at the Business Expo Luncheon scheduled for May 7, 2008. More details on the event will be provided to the Board nearer the date.

Mr. Dillon reported that an Employee Service Awards Luncheon is scheduled for April 2, 2008, in the FIS. RIAC will be recognizing employees who have completed 5, 10, 15, 20, 25 and 30 years of service.

Mr. Dillon reported that the dedication of the Hope Reflection Room is scheduled for April 22, 2008. A formalized program will be sent to the Board.

Mr. Dillon reported that TSA regulations require that airports update and review their emergency plans annually and conduct a full-scale Airport Emergency Plan Exercise at least once every three years. In 2007 RIAC participated in a full scale exercise. This year's Table Top Exercise will be held on Wednesday April 23, 2008.

Mr. Dillon reported that RIAC is in the midst of FY 09 budget planning with a focus on cost reduction.

Mr. Dillon gave an update on the Explosive Detection System (EDS) testing.

5. Legislative Report:

Ms. Goldstein gave an overview of proposed legislation.

6. Action Items:

(a) Consideration of and Action Upon Award of Contract to Provide Parking Revenue Control Equipment at T. F. Green Airport.

Mr. Dillon gave an overview of the contract and addressed the issues provided by Mr. Vennell. Discussion focused on the selection process, and specifically on use of the data generated by the License Plate Recognition and the Automatic Vehicle Identification. The recommendation is that the Board authorize the President and CEO, or his designee, to negotiate the terms of an agreement with Scheidt & Bachmann USA, Inc. to provide a Parking Access and Revenue Control System (including License Plate Recognition and Automatic Vehicle Identification) for all public parking facilities and the

commercial curb at the T. F. Green Airport, subject to future Board approval of the final terms.

A motion was made by Mr. Sangster and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (RIAC) is responsible for the maintenance and operation of airport facilities at T. F. Green State Airport; and

WHEREAS, in June 2007, the Board of Directors authorized the President and CEO, or his designee, to negotiate and execute a Parking Management Agreement (PMA) with Standard Parking (Standard) to provide Professional Parking Management Services at T. F. Green Airport; and

WHEREAS, RIAC, in conjunction with Standard, issued a Request for Proposals (RFP) in January 2008; and

WHEREAS, RIAC received submittals from three firms: (i) Amano McGann, Inc., (ii) Federal APD, Inc. and (iii) Scheidt & Bachmann USA, Inc; and

WHEREAS, all three firms that submitted proposals were invited to make a formal presentation and respond to inquiries regarding their submittals on February 11-12, 2008; and

WHEREAS, the Selection Committee comprised of Douglas Dansereau, Chief Auditor & Financial Analyst; Darrell D. Watson, Vice President of Commercial Programs; Bill Blair, Manager, Airport Parking & Ground Transportation; Thomas A. Strasshofer, Manager, Technical Services for Standard and Bruce Warren, General Manager for Standard, ranked Scheidt & Bachmann USA, Inc. as the top firm based on the selection criteria.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the President and CEO, or his designee, is authorized to negotiate the terms of an agreement with Scheidt & Bachmann USA, Inc. to provide a Parking Access and Revenue Control System (including License Plate Recognition and Automatic Vehicle Identification) for all public parking facilities and the commercial curb at the T. F. Green Airport, subject to future Board approval of the final terms.

The motion was passed unanimously.

(b) Consideration of and Action Upon Approval to Enter into a Consultant Task Order for a Planning Analysis at T. F. Green Airport.

There was no action on this item.

7. Executive Session:

(a) Potential Litigation (EIS) and Pending Litigation (RIPDES) – R.I.G.L. § 42-46-5(a)(2).

(b) Investment of Public Funds Where Premature Disclosure Would be Detrimental to the Public Interest (Intermodal Contract Negotiations and Air Service Development) - R.I.G.L. § 42-46-5(a)(7).

At approximately 4:42 p.m., a motion was made by Mr. Traficante and seconded by Mr. Forte to go into Executive Session. By the following vote the motion was passed unanimously.

YEAS: Kathleen Hittner, M.D.

James Forte

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

At approximately 5:23 p.m., a motion was made by Mr. Traficante and seconded by Mr. Hahn to reconvene to the Open Session. The motion was passed unanimously.

It was noted for the record that during Executive Session Mr. Hahn recused himself from discussion on the Intermodal contract issue.

A motion was made by Mr. Forte and seconded by Mr. Sangster to seal the minutes of the Executive Session in accordance with R.I.G.L. § 42-46-4. By the following vote the motion was passed unanimously:

YEAS: Kathleen Hittner, M.D.

James Forte

Robert D. Sangster

Michael Traficante

Russell Hahn

NAYS: None

ABSTAIN: None

8. Action Item:

(a) Consideration and Action Upon Access Agreement for Intermodal Project.

A motion was made by Mr. Traficante and seconded by Mr. Forte to approve the following resolution:

WHEREAS, the Rhode Island Airport Corporation (“RIAC”) is a public corporation organized as a subsidiary of the Rhode Island Economic Development Corporation, a public corporation, governmental agency, and public instrumentality of the state of Rhode Island; and

WHEREAS, RIAC is responsible for the operation and maintenance of the state’s airport system, including T.F. Green State Airport (the “Airport”), through a certain Lease and Operating Agreement with the State of Rhode Island, acting by and through the Rhode Island Department of Transportation (“RIDOT”), dated June 25, 1993, as amended (the “RIDOT Lease”); and

WHEREAS, RIDOT and RIAC are constructing the Warwick Intermodal Facility on parcels of land located in the City of Warwick (the “Station Parcel”), owned by RIDOT and leased to RIAC pursuant to the RIDOT Lease, for the purpose of providing train, bus, commuter, and rental car egress to and from the Airport; and

WHEREAS, Michael V. D’Ambra (“D’Ambra”) owned a parcel of land necessary for the construction of the Warwick Intermodal Facility that was condemned by RIDOT on June 28, 2006; and

WHEREAS, D’Ambra and affiliates own additional property adjacent or abutting the site for the Warwick Intermodal Facility upon which he intends to build a hotel, office complex, and parking structure (“D’Ambra Property”); and

WHEREAS, in connection with such condemnation proceeding, D'Ambra and RIDOT negotiated a mediated consent order (the "Consent Order"), pursuant to which RIDOT is obligated, inter alia, to grant to D'Ambra a privilege and option to obtain certain easements over the Station Parcel, including: (i) a temporary construction easement and perpetual easements to provide for the construction and ownership of an elevated pedestrian connection between the Warwick Intermodal Facility and the hotel to be constructed by D'Ambra; and (ii) a temporary construction easement and perpetual easements to provide for the construction and ownership of a pedestrian ground link connection between the Intermodal Station and the hotel to be constructed by D'Ambra; and

WHEREAS, pursuant to the Consent Order D'Ambra is obliged to pay certain access fees based on the access structure actually constructed between the D'Ambra hotel and the Warwick Intermodal Facility; and

WHEREAS, based on the contract between RIAC and RIDOT, RIAC's role as the airport proprietor, and various additional relevant agreements, RIAC has sought and obtained the consent of D'Ambra to pay certain additional fees and to restrict the use of the D'Ambra Property; and

WHEREAS, RIAC staff recommends entering an agreement with

D'Ambra relative to access to both T.F. Green Airport and the Warwick Intermodal Facility, upon and subject to the following terms and conditions, in addition to those memorialized in the Consent Order:

- 1. D'Ambra will construct, at a minimum, the elevated pedestrian connection on the terms in the Consent Order;**
- 2. Commencing on the issuance of the Certificate of Occupancy ("CO") for the D'Ambra hotel, D'Ambra will pay RIAC annually for 20 years for hotel shuttle bus access to the airport the greater of \$25,000 or the fees generated from the then existing fee structure for a comparable hotel utilizing the airport;**
- 3. Commencing on the 20th anniversary of the D'Ambra hotel CO, D'Ambra will pay RIAC for hotel shuttle bus access to the airport the amount then paid by comparable hotels utilizing the airport;**
- 4. For office building access to the airport through the Intermodal Facility and the D'Ambra hotel, commencing on the CO for each office building and continuing for 20 years, D'Ambra will pay annually \$2,500 for each of the first three buildings and \$5,000 for the fourth building. RIAC will allocate the foregoing sums between Intermodal Facility Revenues and an airport privilege fee;**
- 5. Commencing on the 20th anniversary of the CO for each office building, for office building access to the airport through the Intermodal Facility and the D'Ambra hotel, D'Ambra will pay RIAC the fees generated from the then existing fee structure for comparable office building or, if none, a commercially reasonable fee;**

6. In the event that the office complex utilizes an airport shuttle service, D'Ambra will pay RIAC fees based on the fee structure for comparable office building shuttle access or, if none, a commercially reasonable fee;

7. In the event that D'Ambra can reasonably demonstrate to RIAC that the office complex patrons are not utilizing the hotel connection to the Intermodal Facility to gain access to the airport or commuter rail, D'Ambra will not have to pay the fees set forth above in ¶¶ 4 and 5. However, D'Ambra will be prohibited from advertising an office connection to the airport.

8. Commencing on the 20th anniversary of the CO for the D'Ambra hotel, D'Ambra will pay as Facility Revenues for the hotel and office buildings connection an amount of up to three (3%) percent of the O&M costs allocable to the skybridge between the Intermodal parking structure and the airport.

9. Aside from those fees set forth above, D'Ambra will not be charged any additional fees associated solely with his access to the Intermodal Facility. However, D'Ambra acknowledges that his facilities (hotel and offices) are subject to any other allowable airport fees and assessments imposed on similarly situated facilities.

10. D'Ambra will not utilize, or permit the use of, the D'Ambra Property, directly or indirectly, by sale, conveyance, transfer, lease, concession, any other disposition or otherwise for: (i) a parking lot or garage (except for the parking garage on the D'Ambra Property as accessory parking required by municipal planning and zoning ordinances for the primary use of the D'Ambra Parcel for the hotel

and office building up to the minimum number of spaces required, but not in excess of such number); (ii) rental car company, agency, or concession; (iii) airport parking; (iv) commuter parking; or (v) “park and fly” parking or overnight parking, if D’Ambra imposes a separate parking charge.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

That the Board of Directors hereby authorizes the President and CEO, or his designee, to negotiate, in place of his prior authority, and to execute an agreement containing the terms and conditions substantially consistent with those set forth above in paragraph nos. 1 through 10.

By the following roll call vote, the motion was passed by four in the affirmative, with one member recusing himself from the vote.

YEAS: Kathleen Hittner, M.D.

James Forte

Robert D. Sangster

Michael Traficante

NAYS: None

RECUSED: Russell Hahn

9. Future Meetings:

The next meeting will be held on Wednesday, April 16, 2008, at 4:00 p.m., in the Mary Brennan Board Room at 2000 Post Road, Warwick, Rhode Island.

10. Adjournment:

Mr. Hahn moved to adjourn the meeting at 5:25 p.m. Mr. Forte seconded the motion. The motion was passed unanimously.

Respectfully submitted,

Kathleen C. Hittner, M.D. Chair

Rhode Island Airport Corporation

ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

BOARD OF DIRECTORS MEETING

MARCH 19, 2008

NAME AFFILIATION

Peter Frazier RIAC

Brian Schattle RIAC

Ann Clarke RIAC

Doug Dansereau RIAC

Bruce Wilde RIAC

Patti Goldstein RIAC

Brenda Pope RIAC

David Cloutier RIAC

Steve Tibbetts Landmark Aviation

Robert Goff The Parking Company

Richard Langseth Greenwich Bay Watershed Association

Don Vennell Federal APD, Inc.

Ronald Cicerchia Ristan Systems, Inc.

Bill McCloud Amano McGann, Inc.

Eric Weiner All Occasion Transportation

The minutes of the Executive Session of the Board of Directors Meeting of March 19, 2008 have been sealed in accordance with R.I.G.L. § 42-46-4.