

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

**PUBLIC SESSION
MINUTES**

October 17, 2005

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, October 17, 2005 at the offices of the Corporation located at 30 Enterprise Drive, 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: Robert Crowley, Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams and John G. Simpson.

Also present were: W. Geoffrey Grout, Managing Director, E. Jerome Batty, Secretary, members of the Corporation's staff and members of the public.

1. CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Chairman McMahon.

2. APPROVAL OF MINUTES

Mr. Crowley moved the approval of the minutes of the Board of Directors meeting held on September 19, 2005 and the motion was seconded by Mr. DeCarvalho.

Mr. Miccolis pointed out that the minutes should be amended to reflect the following:

(a) The last sentence of Section 3B should be amended to read as follows: “Mr. Miccolis requested a written legal opinion regarding the use of bond funds for a fire station at Quonset”.

(b) The first sentence of the seventh paragraph of Section 5B should be amended to read as follows: “Mr. Miccolis noted that he would have no problem agreeing with Mr. Miranda’s request to delay the vote on the tariff for one month because all interested parties should have the same information and opportunity to be heard.”

Mr. Crowley amended his motion to reflect the revisions requested by Mr. Miccolis whereupon the Board:

VOTED: To approve the minutes of the meeting of September 19, 2005 as amended.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

Voting against were: none.

Unanimously Approved.

3. STAFF REPORTS

A. Finance.

Copies of the audited financial reports for the period from July 2, 2004 through June 30, 2005 were distributed to Members of the Board. Mr. Crowley noted that the Finance Committee had reviewed the financials in detail and recommended approval.

Mr. Patterson inquired about a \$100,000 transfer from the Corporation to the Economic Development Corporation. Mr. Grout responded that the transfer was for services rendered by the Economic Development Corporation to the Corporation.

Upon motion duly made by Mr. Crowley and seconded by Ms.

Jackson, the Board:

VOTED: To approve the audited financial statements for the period from July 2, 2004 through June 30, 2005 as submitted to the Board.

Voting in favor were: Mr. Crowley, Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Patterson, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

Voting against were: none.

Unanimously Approved.

B. Managing Director's Report.

Mr. Grout reported that a draft of the Municipal Services Agreement had been included in the Director's Board package and that discussions are continuing with respect to the specifics of the Municipal Services Agreement. Ms. Jackson inquired as to issues relating to the drainage system and controls as to discharges by properties at Quonset which have been sold. Mr. King responded that the Rhode Island Department of Environmental Management has specific requirements relating to the drainage system and that with respect to the sold properties, they would be under the control of the Town of North Kingstown and the leased properties would be under the control of the Quonset Development Corporation.

Mr. Grout advised the Board that discussions are continuing with New Boston Development Partners LLC in connection with the Gateway Project. He pointed out to the Board that the “Gateway” has been redefined and additional land has been included within the “Gateway”. He reviewed the relationship between the development of the Flex Park and retail development. As currently defined, the Gateway includes 119 acres. The rent for parcels 1 through 4 had been initially established as \$25,000 per acre and rent for parcels 5 through 12 is \$15,000 per acre. Mr. Grout noted that the first ground breaking may be within the Flex Park area which is parcels 5 through 12.

Mr. McMahon noted that “Big Box” retail may be economically feasible at this point, however, this is not what the Corporation is looking for. Mr. McMahon also noted that timing is still an issue and it is important that the agreement have specific thresholds which need to be met.

Mr. Miccolis noted that the concept for the Gateway was to provide retail amenities to support current park tenants, however, it seems that by adding the Flex Park, there is a need for additional tenants to support retail within the Gateway. Mr. McMahon responded that this was an excellent comment and that as more detailed market studies are completed it may well be that initial development will commence in the Flex Park, thereby providing additional support for the retail.

Mr. McMahon noted that the Corporation does not want the developer to be in a position of “land banking” and that it is important that the developer have thresholds requiring some initial development. Mr. Grout pointed out that the option price to hold the land is \$3,000 per acre per year. Mr. McMahon also said that it was important that there be some specific date by which development must commence on parcels 1, 2 and 3. The Board concurred that discussions should continue with New Boston Development Partners LLC and an appropriate agreement presented to the Board at the next meeting.

Mr. Patterson inquired as to what would be included in the maintenance charges referenced in Section 5(b) of the Development Agreement. Mr. Grout responded that this would be a charge relating to recapture of expenses incurred by the Corporation to provide services to Quonset Business Park, ie. snow removal for roadways, etc. The maintenance fee will be increased based upon annual CPI adjustments.

Mr. Rebecchi inquired as to whether there had been any problems with flooding during the recent rain storms. Mr. King responded that there were minor problems resulting from the overflowing of streams, however, there had been no reports from tenants of any problems.

4. COMMITTEE REPORTS

A. Governance Committee.

Mr. DeCarvalho provided the report for the Governance Committee. He noted that the Committee is discussing developing Board policies on confidentiality and ethics and will be submitting a proposal to the Board.

B. Marketing/Business Development Committee.

Mr. Hazlehurst reported that a Small Business Forum has been scheduled for November 22nd. The Committee is continuing to review the flex concept for parcels 7 and 10. CB Richard Ellis presented their new marketing materials for review by the Committee.

The Committee also reviewed the current marketing report. Mr. McMahon noted that small businesses are the prospective users of flex space and it is important to provide opportunities for small business. The Corporation wants to act as a match maker for developers who will create space and small business owners who need space.

C. Strategic Planning Committee.

Mr. Doern reported that the Committee has reviewed the outline of the strategic plan. The Committee continues to address issues relating to the operation and management of Quonset Business Park

on a long term basis. Ms. Jackson noted that the Committee is in the process of identifying other sites that may be comparable to Quonset Business Park and reviewing how these other sites address long term management issues. The Committee is looking into retaining the services of a consultant to review various alternatives and will provide additional information to the Board as developments occur with respect to long term management of Quonset Business Park.

Mr. Patterson inquired as to whether there are other sites that are surrounded by a municipality creating a situation similar to that of the Town of North Kingstown and Quonset Business Park. Mr. Doern said that this was certainly an important issue and would be a matter that would have to be addressed in order to appropriately develop a long term strategy.

There being no further business to come before the Board, upon motion duly made by Mr. Doern and seconded by Mr. Crowley, the meeting was adjourned at 6:15 p.m.

Respectfully submitted by:

By:

E. Jerome Batty, Secretary