

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

PUBLIC SESSION MINUTES

March 20, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, March 20, 2006, 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, David A. Doern, Barbara Jackson, Thomas Hazlehurst, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent was: Kas R. DeCarvalho. 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

Upon motion duly made by Mr. Sams and seconded by Mr. Doern, the Board:

VOTED: To approve the minutes of the Public Session and Executive Session meeting of February 13, 2006, as presented to the Board.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Thomas Hazlehurst, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Voting against were: none.

Unanimously Approved.

3. STAFF REPORTS

A. Planning and Development Services

Mr. King updated the Board on the proposed relocation of Davisville Road. Mr. King noted that Tab 2 contained a response letter from QDC to the North Kingstown Town Council's resolution regarding the relocation of Davisville Road.

Mr. Grout noted that Tab 2 also contained a letter from Mr. Jack Pezza of LJM Packaging and a response from Mr. Grout regarding the QDC's Procedure for dealing with Tenant/Resident Matters.

Chairman McMahon noted that this procedure had been helpful in the past.

B. Finance

Ms. Lake noted that QDC is well on track with the budget and that collections from tenants remain good.

C. Marketing

Chairman McMahon noted that the Bristol-Meyers Squibb Company has chosen Rhode Island as one of its four potential sites to build a bio-manufacturing facility. Mr. McMahon noted that Bristol-Meyers Squibb Company started with eleven potential sites and reduced that list down to four, including Rhode Island. Chairman McMahon stated that Quonset, was chosen because of the quality of the infrastructure

and work force. He also stated that the high quality of public school education in North Kingstown is an advantage. He stated that the quality of public schools is a major factor in economic development.

D. Managing Director's Report

Mr. Grout discussed the New Boston Development Partners, LLC ("New Boston") Gateway Project Agreement and possible modifications thereto. Mr. Grout indicated that New Boston's due diligence has raised some questions regarding North Kingstown's involvement in the decision making process, title issues and the completion of the ground lease. Mr. Grout noted that New Boston has requested a one-year extension on basically all of the dates in the current agreement.

Mr. Chamberlin of New Boston briefed the Board on the reason for the requested revisions to the Development Agreement. Mr. Chamberlin stated that New Boston is fully committed to the project but that it appeared that the retail development is too early and that it could be 6 to 12 months before an anchor tenant would be committed to the site.

Mr. Grout suggested to the Board that any revision of the development agreement address the following:

- 1. New Boston to provide updated status reports to the Board at**

intervals set by the Board.

2. The Board should discuss the scope of the Gateway Project and whether it should be a 10 year agreement or less and whether or not there should be some put/call options.

Mr. Grout then went on to ask Mr. Chamberlin how much money had been invested to date on the Gateway Project. Mr. Chamberlin responded, approximately \$150,000.

Chairman McMahon asked of Mr. Chamberlin to discuss what New Boston learned in the past six to nine months with regard to the Gateway Project in terms of facts or surprises that have come to their attention. He also asked what has changed that causes New Boston to need more time.

For the past three to four months, New Boston has been talking with possible tenants. Mr. Chamberlin noted that the population density was low for most anchors but that since the household income and education levels are high, he believes the project would have success in another year.

Chairman McMahon asked Mr. Chamberlin what he felt would be different six months from now. He also noted that it is unlikely that there will be a significant increase in population over the next 6-9 months

Mr. Grout continued with his report and referred to Tab 3 regarding the legislature's Resolution with respect to the USS John F. Kennedy.

Mr. Doern stated that the Board was unaware of the fact that the legislature had passed this Resolution. Chairman McMahon advised that this was simply an expression of interest because there is currently no funding available.

Mr. Grout informed the Board that a new Community Advisory Committee has been formed and that Susan Miller has been elected Chair of the Committee.

Mr. Grout distributed current maps of Quonset Business Park to the Board and indicated that these maps would continue to be updated as needed.

4. QUONSET DEVELOPMENT CORPORATION COMMITTEE REPORTS:

A. Strategic Planning: Mr. Simpson noted that the Committee had a good dialogue on methodology and identified the following factors:

- 1. Vision.**
- 2. Mission.**
- 3. Critical success factors.**
- 4. Goals.**

5. Actions.

Mr. Simpson stated that the Committee believed it was important to re-establish the commitment to create a business park.

Ms. Jackson indicated that the Committee believed it critical to get either a signed Municipal Services Agreement with the Town of North Kingstown by the next Board meeting or to have a service policy that the Agency can enforce. Ms. Jackson asked for a vote to this effect.

Mr. Miccolis questioned the status of the Municipal Services Agreement and the probability that one could be agreed upon before the next Board meeting.

Mr. Batty indicated that there was a meeting on Wednesday, March 22, 2006, with Mr. Parks and the head of the North Kingstown Public Works. Mr. Batty indicated that the motion as he understood it would not require a signed Municipal Services Agreement, by the next Board meeting but would require a staff recommendation if an Agreement is not finalized.

Mr. Miccolis indicated that if there is no Municipal Services Agreement for the next Board meeting, he would like to review the open items.

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

Jackson, the Board:

VOTED: To direct the staff to provide a report to the Board on the status of the negotiations regarding the Municipal Services Agreement and a staff recommendation on how the Corporation should proceed in the event that the parties can not agree on the form of the Municipal Services Agreement.

Voting in favor were: Robert Crowley, David A. Doern, Barbara Jackson, Thomas Hazlehurst, Sav Rebecchi, M. Paul Sams, and John G. Simpson.

Abstaining were: Mr. Miccolis and Mr. Patterson.

Motion approved.

Mr. Miccolis inquired as to the Board's position on housing being incorporated into the Gateway Plan and whether a railway station should be built at Wickford Junction or Quonset. He asked that the Strategic Planning Committee review both of these items at the next scheduled meeting and make a recommendation to the Board for moving forward.

Chairman McMahon discussed statewide transportation and the concept of Transportation Oriented Development. He noted that opportunities for railway exist in the following areas: Pawtucket,

Providence, Warwick, E. Greenwich, Wickford, Kingston, Westerly and the shoreline/New Haven. Chairman McMahon stated that he would like nothing more than to see the railway at Quonset/Davisville and issues with Wickford Junction are town issues.

Chairman McMahon stated the Town should take the lead on housing at Quonset Business Park. He noted that the QDC is a junior partner in these discussions and that the Town should take the leadership role on housing as well as the location of the rail station and make a recommendation to the Board.

Mr. Rebecchi and Mr. Doern both indicated that they had concerns about the appropriateness of housing at Quonset Point.

Mr. Grout explained that the master plan is a public process. He stated that the term “workforce housing” was removed from the master plan based on the Town’s reaction and the term “mixed use” was adopted. He explained that housing would require an amendment to the current master plan.

B. Finance: Mr. Crowley discussed staffing and compensation levels. Mr. Crowley noted that a review of current compensation levels of the Managing Director and his direct reports needed to be done. Mr. Crowley indicated that the QDC’s accounting firm would be asked to evaluate compensation levels at the next Audit-Finance Committee meeting if possible.

C. Marketing: Mr. Hazlehurst noted that there was no scheduled meeting.

D. Governance: There was no scheduled meeting.

Chairman McMahon discussed the separation of powers act with regard to the general assembly and local municipalities and recommended that the Board continue as is until further notice.

5. APPROVAL REQUESTS:

A. Approval of Bel-Air Finishing Supply, Inc. sale

Mr. Matthews reviewed the proposed sale of 3.29 acres for a purchase price of \$472,500. Mr. Matthews indicated that the project will generate approximately 50 new jobs over five years, an investment of \$1.6M and an estimated property tax upon project completion of approximately \$31,000.

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

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, or Finance Director, each of them acting singularly the "Authorized Officers" is hereby authorized to

enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto with BelAir Finishing Acquisition/SPL substantially, in accordance with the Request for Authorization presented to the Board (the Purchase and Sale Agreement and related documents are referred to herein collectively 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 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 and 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.

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

Voting against were: none.

Unanimously approved.

B. Approval of Subsalue USA Corporation Sale

Mr. Matthews reviewed the proposed sale of 4.5 acres for a purchase price of \$581,250. Mr. Matthews indicated that the project will generate approximately 200 new jobs long term, an investment of \$10.5M and estimated property tax upon project completion of approximately \$165,000.

Upon motion duly made by Mr. Patterson and seconded by Mr. Sams,

the Board:

VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director, or Finance Director, each of them acting singularly the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Purchase and Sale Agreement and other agreements related thereto with Subsolve USA Corporation, substantially, in accordance with the Request for Authorization presented to the Board (the Purchase and Sale Agreement and related documents are referred to herein collectively 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 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 and

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.

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

Voting against were: none.

Unanimously approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

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

VOTED: To adjourn to Executive Session pursuant to Subsection (2) – (litigation), Subsection (5) – (Acquisition or Lease of Real Estate for public purposes or disposition of Publicly held Property) and Subsection (6) – (Location of Perspective Businesses in Rhode Island), or subsection (7) (Investment of Public Funds) of the RIGL §42-46-5(a) (the “Open Meetings Law”).

1. Modification to Gateway Development Agreement with New Boston Development Partners.

2. Purchase of Property.

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

Voting against were: none.

Unanimously approved.

The meeting adjourned to Executive Session at 6:10 p.m. The meeting reconvened in Public Session at 7:15 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Miccolis and seconded by Mr. Crowley, the Board:

VOTED: Pursuant to Section 42-46-4 and 42-46-5 of the General Laws, the minutes of the Executive Session shall not be made available to the public at the next regular scheduled meeting of the Corporation because such disclosure would adversely impact ongoing negotiations.

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

Voting against were: none.

Unanimously approved.

There being no further business to come before the Board, upon motion duly made by Mr. Miccolis and seconded by Mr. Crowley, the meeting was adjourned at 7:15 p.m.

Respectfully submitted by:

By:

E. Jerome Batty, Secretary