

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

**March 16, 2009**

**EXECUTIVE 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, March 16, 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, Robert H. Breslin, Kas R. DeCarvalho, Barbara Jackson, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, J. Michael Saul, John G. Simpson and Keith W. Stokes. 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 Executive Session was called to order at 5:42 p.m. by Chairman Saul.**

**Prior to adjournment to Executive Session, 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, Robert H. Breslin, Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Sav Rebecchi, John G. Simpson, and Keith W. Stokes.**

**Voting Against were: None**

**Abstaining: John A. Patterson and Richard L. Pastore**

**Motion Passed.**

**Noted for the record the following non-Board members were in attendance: Bill Parsons of the Rhode Island Economic Development Corporation and David Preston of New Harbor Group, E. Jerome Batty, Secretary. Also present were the following Corporation staff;**

**Katherine Trapani, Planning Manager; Jill Sherman, Administrative Assistant; Evan Matthew, Port Director; and Jack Sprengel, Director of Operations.**

## **2. DISCUSSION OF STATUS OF USS SARATOGA PROPOSAL:**

**Mr. King reviewed for the Board the events and documents that led to a letter dated July 13, 2005 to Mr. Lennon regarding the reservation of the mooring area of Pier 2 for the USS Saratoga (Exhibit A). The letter noted that the reservation approved by the Quonset Development Corporation Board of Director's was subject to several criteria:**

**1. The USS Saratoga Museum Foundation (the "Saratoga Foundation") must by May 1, 2007 present evidence of Ten Million Dollars (\$10,000,000.00) in donor support evidenced by cash contributions in available funds.**

**2. The Saratoga Foundation must update the QDC Board within 15 months of June 20, 2005 with respect to (i) the status of the environmental permitting for the dredging and mooring of USS Saratoga on the north side of Pier 2 and (ii) the resolution of public access issues consistent and compatible with Homeland Security measures as may be required by the QDC. Prior to May 1, 2007, Saratoga Foundation must provide evidence satisfactory to the QDC that sufficient funds are available to complete the environmental**

**work, dredging, approved access to Pier 2 and meet homeland security requirements. Such funds are in addition to the requirements under section (1) above.**

**3. The Saratoga Foundation must establish an Escrow Account of \$300,000 satisfactory to the QDC to cover the relocation of the USS Saratoga; such funds are in addition to the requirements of (1) above.**

**4. Satisfaction of the above conditions will permit the QDC and the Saratoga Foundation to negotiate a mutually acceptable lease, at market rates, for a mooring area north of Pier 2.**

**Mr. King explained that Mr. Lennon appeared before the Board of Directors on March 19, 2007 and provided an update on the status of the above conditions. The deadline of May 1, 2007 passed with no action taken.**

**Mr. King explained that in July 2007, he was instructed by RIEDC, Executive Director and QDC Chairman to sign the Saratoga Foundation's CRMC application for preliminary determination. The CRMC returned a determination that the project, as proposed, was inconsistent with the CRMC Type 6 waters and the industrial use of the Park which resulted in the Saratoga Foundation requesting a hearing to appeal the findings.**

**Mr. King stated he has been contacted by CRMC to inquire as to the Corporation's position on the project. CRMC does not want to go through the appeals process if the Saratoga Foundation does not have site control. CRMC specifically asked if there was a lease agreement between the Corporation and the Saratoga Foundation. Mr. King informed CRMC that there was no such agreement in place.**

**Mr. King advised the Board that with the help of the Chairman and the Corporation's counsel, a letter was drafted to the Saratoga Foundation terminating the reservation. A copy of the letter was provided to the Governor's office. Mr. King stressed that the real issue here is that the Saratoga project just does not fit into the uses of the Park; traffic at the port has more than doubled in the last few years, the DeepWater Wind project is coming, and demand for space at the port is high. If the Saratoga Foundation is allowed to dock the USS Saratoga at Pier 2, it will take up 6 acres of the pier deck at Pier 2.**

**Mr. Patterson brought up his objection to making a decision without Mr. Lennon from the Saratoga Foundation present and also said that there were documents missing in the package between RIEDC and Mr. Lennon. Mr. Patterson also noted that there is a difference of opinion between CRMC and DEM on the water usage.**

**Mr. Saul interjected that the fundamental issue is not to debate the history of Saratoga at Quonset but to address whether the Saratoga**

**is a good decision for the Park at this time.**

**Mr. Berson questioned if Mr. King had not been contacted by CRMC, would the Board be asked to make a decision on this project.**

**Mr. Saul advised that he felt this issue would have needed resolution either way. Ms. Jackson added that several Board members have wanted closure on this issue in the past but that the previous Chairperson was reluctant.**

**Mr. Berson left the meeting at 6:00 PM.**

**Mr. Stokes added that he agreed with Mr. King, stating that the real issue is a land use question regarding the appropriateness of this project at the Port.**

**Mr. Simpson added that when the Saratoga project initially came before the Board for approval, all four members of the Strategic Planning Committee voted against the project because they did not feel it was an appropriate use of the property. The Board vote was evenly split and had to be broken by the former Chairman who voted to provide the reservation. Mr. Simpson noted that the Corporation's new Master Land Use and Development Plan clearly indicates that this project is not the best use of the land and it is his opinion that extending this issue again even for thirty (30) days is not necessary, as every day this issue is delayed is another day that the property is**

**off the market.**

**Mr. Pastore added he was not comfortable that he had all the information related to the proposal and he was concerned that a representative of the Saratoga Foundation was not present.**

**Mr. Laramee noted that there was no valid proposal and that the Saratoga Foundation can resubmit their proposal using the appropriate channels.**

**Mr. Patterson noted that Mr. Kaplan (former Chairman) told The Saratoga Foundation, in writing, that if they could get the appropriate permitting, the Corporation would support moving the USS Saratoga to the pier.**

**Upon questioning, Mr. King explained the water side of the pier was not the biggest issue; access to the pier, parking, and the fact that the vessel would stick out 400 feet from the east side of the pier and essentially block both the east and north sides are all problems. Mr. King also noted the pier is currently being used for discharging of cars everyday.**

**At the request of the Board, Mr. King read the draft letter dated March 16, 2009 to Mr. Lennon regarding termination of the reservation for the USS Saratoga on the north side of Pier 2 (Exhibit B). Mr. Patterson noted that the draft letter had not been presented to the**

**Board prior to the meeting.**

**Mr. Saul asked for a motion to vote to approve the termination letter to The Foundation.**

**Upon motion duly made by Mr. Rebecchi and seconded by Mr. Laramee, the Board:**

**VOTED: To approve the letter dated March 16, 2009 to Mr. Lennon regarding termination of the reservation for the USS Saratoga on the north side of Pier 2 and authorize the Chairman and Managing Director to sign and deliver the letter.**

**Voting in favor were: Robert H. Breslin, Kas R. DeCarvalho, Barbara Jackson, John G. Laramee, Sav Rebecchi, John G. Simpson and Keith W. Stokes.**

**Voting Against were: John A. Patterson and Richard L. Pastore**

**Absent: James D. Berson.**

**Motion Passed.**

**After a short discussion, it was decided that the letter would be sent immediately via email to Mr. Lennon after the meeting and a hard copy would be mailed. All questions regarding the Board's decision**

would be directed to Mr. King as Managing Director of the Corporation.

There being no further business to come before the Board, upon motion duly made by Mr. Simpson and seconded by Mr. DeCarvalho, the Executive session was adjourned at 6:47 p.m.

Respectfully submitted:

By: \_\_\_\_\_

E. Jerome Batty, Secretary