

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

**June 29, 2009**

**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, June 29, 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 DeCarvalho, Barbara Jackson, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, J. Michael Saul, and John G. Simpson. Absent was: Keith 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 meeting was called to order at 5:00 p.m. by Chairman Saul.**

## **2. APPROVAL OF MINUTES:**

**Upon motion duly made by Mr. Simpson and seconded by Mr. Laramée, the Board:**

**VOTED: To approve the Public Session minutes of the May 11, 2009 meeting, as presented.**

**Voting in favor were: James D. Berson, Robert H. Breslin, Kas DeCarvalho, Barbara Jackson, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.**

**Voting Against were: None**

**Unanimously Approved.**

## **3. STAFF REPORTS:**

**Mr. King reviewed the Staff Report memo with the Board:**

**Development and Planning:**

- Mill Creek Marine received an assent from CRMC, and we are waiting**

for the Technical Review submission.

- **Failure Analysis and Prevention is wrapping up Technical Review; groundbreaking scheduled for July.**

- **Grants:**

1. **EDA has provided a letter of “Further Consideration” regarding the QDC’s application for the Commerce Park Connector Road. Staff is currently working on submission of a supplemental grant package.**

2. **USDOT discretionary funding under ARRA: Staff is developing a program of pier, port, and other surface transportation projects to apply for funding under the TIGER (Transportation Investments Generating Economic Recovery) program.**

3. **CEDS (Comprehensive Economic Development Strategy) for 2009 was approved by State Planning Council and includes a Pier One repair project. Inclusion in CEDS is a prerequisite for funding consideration by EDA.**

- **Katherine Trapani, QDC Planning Manager, received an award for Excellence in Transportation Planning from the RI DOT.**

**Construction:**

- **NOAA lease has been executed. Design work continues for the NOAA project for both the new building and pier improvements. QDC is obligated to deliver the facility by June 2010.**

- **Maritime Way is substantially complete.**

- **Bike Path (multi-use path) ribbon cutting ceremony is being planned with RI DOT for mid to late July. Mr. Pastore and Mr. Berson noted that they had received many compliments regarding the Bike Path.**

- **QDC will be issuing an invitation for bids for the Mainsail improvements.**
- **Final design is underway for the Romano Vineyard Way roadway and bridge construction/work to be completed in October.**

#### **Operations:**

- **Air Show – QDC Maintenance Department preparation of the Park has been completed. Mr. Berson suggested that QDC set up a booth at next year's Air Show, to promote the Park and ongoing activities.**
- **Maintenance has started upgrading and replacing park-wide traffic signs.**
- **Replacing the roof of building E319 for Electric Boat.**

#### **Port Operations:**

- **May 2009: 7 vessels discharging, 4,447 new automobiles and 227 rail cars.**

#### **Finance and Administration:**

- **Total revenue is running slightly better than budget due to increased traffic on the pier. At the end of May, ship traffic was up 18% over last year and imported autos were up 31%.**
- **Babcock & Helliwell, Inc. has been selected as our insurance broker through the RFP process. Insurance costs have decreased by 28% from the prior year.**

**Mr. DeCarvalho suggested that staff put a presentation together**

showing Quonset's development since QDC was reconstituted to use as promotional material for the Park. Mr. King noted that he has such a presentation and would be glad to share it with the Board. Mr. King added that several tenants have agreed to host our Board meeting as a way to get more exposure to the Park residents.

#### **4. COMMITTEE REPORTS:**

##### **Strategic Planning Committee:**

Mr. Simpson reviewed the 2009-2012 Operating Plan Outline (Exhibit A) with the Board. Mr. Simpson requested that the Board review the document in conjunction with the Master Land Use and Development Plan and any suggestions/additions would be taken at the next Board meeting.

Mr. Berson pointed out that job creation was omitted from the outline.

Mr. King noted that job creation/growth is covered specifically in the Master Land Use and Development Plan and each real estate transaction is evaluated on three criteria: jobs, investment, and tax increment.

Mr. DeCarvalho added that job creation might best stay implied and not explicitly stated in the outline. Mr. DeCarvalho stated the Board's first priority is to continue to run the Park effectively and part of that task involves controlling the perception of the Park. Perhaps public

**relations/outreach should be included in the outline. Mr. Simpson responded that there had been some debate over including Marketing and noted that it may have a place under Finance and Administration.**

**Mr. Saul suggested that Strategic Planning hold a committee meeting for all to attend and to go over the Board's suggestions. Mr. King suggested that the Marketing Committee also meet soon.**

**Mr. Simpson reviewed the Critical Success Factors to ensure the continued success of the Park and asked the Board to send any suggestions/requests on either document to Kevin Barry.**

**After a short discussion, the Board revised item #7 of the Critical Success Factors (Exhibit B) to read, "Ensure the maintenance of all roads, grounds and public infrastructure to sustain the appeal of the park'.**

**Mr. Berson asked if it was the Corporation's target to financially breakeven as is indicated in the Critical Success Factors. Mr. King answered that in reference to utilities it is the Corporation's intention to operate utilities on a breakeven basis; however, it is the intention of the Corporation to operate the Park in a profitable manner so as to continue to support economic growth in the State of Rhode Island.**

## **5. APPROVAL REQUESTS:**

**A. Approval of Development Agreement/Option to Lease with Deepwater Wind Rhode Island, LLC:**

**Mr. King reviewed the transaction request with the Board (Exhibit C). Mr. King clarified the following points in the transaction summary upon request from the Board:**

- Page 1, Note: If the Developer requires interconnection of parcels that impact existing tenants, it is the Developers responsibility to bear the costs, but any impacted land would inevitably revert back to QDC ownership. The Town of North Kingstown is the only land owner (non-tenant) at this time in the Park that could be impacted by this development. There is a 10 foot wide sliver of land near the North Kingstown Public Works Facility that may be affected.**
- Mr. Patterson noted that looking at the map of the three parcels it appears that Pier 1 would be the obvious choice for use by Deepwater Wind Rhode Island, LLC (“Deepwater Wind”). Mr. King confirmed that the location of Pier 1 would be more convenient but the structure of Pier 1 can not sustain Deepwater Wind’s needs. Pier 2 is a wharf with a landfill structure that would better handle their needs.**

**Mr. Chris Wisseman; Managing Director, Deepwater Wind, spoke to the biggest challenges facing Deepwater Wind and the development project. Mr. Wisseman noted that timing was the biggest unknown**

due to the uniqueness of this project and how that relates to permitting rules. Mr. Wisseman added that to continue moving forward Deepwater Wind will work with National Grid to come up with a Power Purchase agreement in the next eighteen (18) months, which will serve as an anchor and catalyst to the project. The site can be developed upon completion of the SAMP (Special Area Management Plan) expected to conclude August 2010, and the rest is somewhat administrative from that point.

Upon Mr. Breslin's request, Mr. Wisseman explained that this project is funded by several large infrastructure companies who have fully committed all the equity to build this project, 60-70% of the build out cost will be financed through traditional lenders. In this case, all the traditional lenders for this type of project are European banks. European banks are decades ahead of US banks in funding these offshore power projects and know the risks and returns. Two contending banks have been advising Deepwater Wind on how to structure a power purchase agreement and on design/construction methodology. Mr. Wisseman noted that a project of this scale, 1.5 billion dollar project, requires tens of millions of dollars in engineering and a couple years of development in order to make bankers comfortable that the project can be built on time and on budget.

Mr. King explained, upon questioning from Mr. Rebecchi, Phase I of the project involves the building of 5 to 8 windmills off the coast of

**Block Island which will power the island and put Block Island on the grid for the first time in history. Mr. King estimated the Phase I project will get underway in 1 to 1 ½ years and included the development agreement is that the Corporation will be flexible in working with Deepwater Wind to utilize components of the Park to support that project.**

**Mr. Laramee commended everyone for their efforts on this very exciting project.**

**Mr. Pastore agreed that this is a wonderful project which will be very positive for the State.**

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

**VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Development Agreement/Option to Lease, and other agreements related thereto, with Deepwater Wind Rhode Island, LLC substantially in accordance with the Request for Board Authorization presented to the Board (the Lease Option 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 and 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, assignments, and financing documents 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: James D. Berson, Robert H. Breslin, Kas DeCarvalho, Barbara Jackson, John G. Laramée, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.**

**Voting Against were: None**

**Unanimously Approved.**

**B. Approval of Lease regarding a portion of Parcel 2 (Gateway) with New Boston Development Partners, LLC:**

**Mr. King reviewed with the Board, New Boston Development Partners, LLC's request to build a four story, 102 room Towne Place Suites in the Gateway.**

**There was a short discussion on the design element related to the transaction. Mr. King assured the Board that as soon as the building design was finalized and approved by the Design Review Committee, he would share the actual hotel plans and specifications with the Board.**

**Mr. King noted that in connection with the Option to Purchase there would be an additional payment if the number of rooms in the Hotel was increased during a specified time period after the acquisition of**

**the Premises by the Tenant.**

**The Board was in agreement that this was a good project and they were happy with the potential of adding a hotel to the business park.**

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

**VOTED: That the Corporation acting by and through its Chairman, Vice-Chair, Managing Director or Finance Director, each of them acting alone the "Authorized Officers" is hereby authorized to enter into, execute and deliver a Lease Agreement, and other agreements related thereto, with New Boston Development Partners, LLC, or its nominee regarding a portion of Parcel 2 Gateway Project substantially in accordance with the Request for Board Authorization presented to the Board (the Lease 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 and 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, assignments, and financing documents 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: James D. Berson, Robert H. Breslin, Kas DeCarvalho, Barbara Jackson, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.**

**Voting Against were: None**

**Unanimously Approved.**

**Mr. Laramee made a motion to acknowledge Mr. King and the work that he and his staff have done to bring both of these major projects to Quonset Business Park®.**

**6. MOTION TO ADJOURN TO EXECUTIVE SESSION:**

**Upon motion duly made by Mr. Breslin and seconded by Mr. Simpson, 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), 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”).**

**1. To discuss investment of public funds, potential litigation.**

**Voting in favor were: James D. Berson, Robert H. Breslin, Kas DeCarvalho, Barbara Jackson, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, and John G. Simpson.**

**Unanimously Approved.**

**The meeting adjourned to Executive Session at 6:33 p.m. The meeting reconvened in Public Session at 7:22 p.m.**

**There being no further business to come before the Board, upon motion duly made by Mr. Laramee and seconded by Mr. Pastore, the meeting was adjourned at 7:23 p.m.**

**Respectfully submitted:**

**By: \_\_\_\_\_  
Secretary**

**E. Jerome Batty,**