

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

January 19, 2016

**DRAFT
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 Tuesday, January 19, 2016, 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 By-Laws of the Corporation and applicable Rhode Island Law.

The following members constituting a quorum were present and participated throughout the meeting as indicated: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Kerry P. McKay, and James Rugh. Absent were: Guy Asadorian, Jr., Martha Holt Castle and Guillaume de Ramel. Also present were: Steven J. King, P.E., Managing Director; John R. Pariseault, Assistant Secretary; and Corporation’s staff and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:01 p.m.

2. CHAIRMAN PRO-TEMP:

A. Upon motion duly made by Ms. Hueston and seconded by Ms. Brawley, the Board:

VOTED: To appoint, Kerry P. McKay Chairman, pro temp.

Voting in favor were: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Kerry P. McKay and James Rugh.

3. APPROVAL OF MINUTES:

A. Upon motion duly made by Mr. Jones and seconded by Ms. Hueston, the Board:

VOTED: To approve the Public Session Minutes of the December 15, 2015 meeting as presented.

Voting in favor were: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Kerry P. McKay and James Rugh.

Voting Against were: None.

Unanimously Approved.

B. Upon motion duly made by Mr. Jones and seconded by Ms. Hueston, the Board:

VOTED: To approve the Executive Session Minutes of the December 15, 2015 meeting as presented.

Voting in favor were: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Kerry P. McKay, and James Rugh.

Voting Against were: None.

Unanimously Approved.

3. STAFF REPORTS:

Mr. King reviewed the staff report with the Board of Directors.

Mr. Pariseault, Mr. Mancini and Mr. Pryor joined the meeting in progress. Mr. Pryor assumed Chair.

4. COMMITTEE REPORTS:

There were no meetings of the Quonset Development Corporation committees.

5. APPROVAL OF A LEASE AGREEMENT WITH T. MIOZZI, INC.

Mr. King reminded the Board that T. Miozzi, Inc. (“Miozzi”), a paving company located in Coventry, RI, is interested in leasing 10.2 acres in West Davisville (Site Readiness Parcel 34). Mr. King commented that Miozzi is currently located in a highly congested and residential area and is in need of a location that will reduce trucking time by being closer to highway access and away from residential traffic.

Corporation staff was very careful to consider buffered isolated sites for the future Miozzi asphalt plant. Mr. King handed out a locus map (Exhibit A) showing the potential site, noting the surrounding wetland and supplementary land the Corporation recently purchased as additional buffers; the only neighbor to site is BB&S Treated Lumber, a lumber treating facility. Mr. King pointed out, on the map, the closest neighborhood is over 3,000 square feet from the plant.

Mr. King reviewed the details of the transaction with the Board, noting Miozzi is seeking a 25 year lease for 10.2 acres, however, due to the existing wetlands, only 8.5 acres are developable. Rent will be based on \$14,750 per acre (8.5) annually with a 12.5% rent increase every 5 years. A credit of \$10,000 per year will be applied toward rent to allow for tenant improvements to the site, including an extensive driveway, utility construction, and soil mediation. The lease will also include the standard 25 year term incentive of 16%.

Upon motion duly made by Mr. Rugh and seconded by Ms. Hueston, the Board:

VOTED: The Corporation acting by and through its Chair, 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 with respect to property at Quonset Business Park with T. Miozzi, Inc., and other agreements related thereto, such Lease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Lease and related documents are referred to herein collectively as the “Agreements”).

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 the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums 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 and 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 executed 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: Shannon E. Brawley, Carol H. Hueston, Scot A. Jones, Gregory A. Mancini, Kerry P. McKay and James Rugh.

Abstaining: John A. Dorsey

Voting Against were: None.

Unanimously Approved.

6. APPROVAL OF A LEASE AND OPTION TO PURCHASE AGREEMENT FOR PROPERTY SITUATED AT 31 MACNAUGHT STREET:

Mr. King reviewed the transaction, reminding the Board the transaction is necessary in order to assist Electric Boat (“EB”) in creating a pathway to carry the new Ohio Class submarine hulls from their north main access to their south main access as was discussed at length at a previous meeting. Mr. King also stated that a third party developer, MacNaught, Inc., has been brought in to negotiate with the current owner, Innertech Diving and purchase the property at 31 MacNaught Street where the access is needed. Under the proposal, the developer would purchase the property from Innertech Diving and the Corporation would lease with an option to purchase from the developer. The Corporation would make an initial payment of \$50,000 to include legal fees, and demolition of the existing building on the site. The proposed lease term is 10 years (aligned with MacNaught Inc.’s bank note) with monthly lease payments of \$2,250. There are two options to purchase (i) at the end of the second year for \$325,000 or (ii) at the end of the tenth year for \$200,000. This Lease and Option to Purchase Agreement would allow the Corporation time to amend EB’s existing lease to include the new property without incurring a large cost upfront while preparing the property for use.

Mr. King read aloud a new amended vote (Exhibit B) to the Board noting the additional wording, “provided, however that in addition to the terms set forth in said Board Authorization the Authorized Officers shall have the authority to increase the term of the lease up to (20 years at a fixed base rent and with an additional option to

purchase the property at the end of such 20 year term for the fair market value of the property”. Mr. King explained that there is only a 30 day window to close this deal and a week has passed since it was initiated. The Corporation was concerned that the bank would not accept the 10 year term citing lack of security and the developer would need to extend the note to 20 years and therefore the Corporation would need to extend the lease to 20 years.

Upon motion duly made by Mr. Rugh and seconded by Ms. Hueston, the Board:

VOTED: The Corporation acting by and through its Chair, 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 and Option to Purchase with respect to property at Quonset Business Park with MacNaught, Inc. Such Lease and Option to Purchase to be substantially in accordance with the Request for Board Authorization presented to the Board; provided, however that in addition to the terms set forth in said Board Authorization the Authorized Officers shall have the authority to increase the term of the Lease up to twenty (20) years at a fixed base rent and with an additional option to purchase the property at the end of such twenty (20) year term for the fair market value of the property (the Lease and Option to Purchase and related documents are referred to herein collectively as the “Agreements”).

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 the Agreements or as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable and without further specific action by this Board, and 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 Agreements and/or all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Agreements, including any and all agreements, contracts, certificates, licenses, assignments, and memorandums 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 and 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 executed 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: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Gregory A. Mancini, Kerry P. McKay, and James Rugh.

Voting Against were: None.

Unanimously Approved.

7. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Ms. Hueston and seconded by Mr. Jones, the Board:

VOTED: To adjourn to Executive Session pursuant to subsection (6) (location of prospective businesses in Rhode Island) and subsection (7) (A matter related to the question of the investment of public funds where the premature disclosure would adversely affect the public interest) of Rhode Island General Laws, Section 42-46-5(a), the Open Meeting Law.

Voting in favor were: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Gregory A. Mancini, Kerry P. McKay and James Rugh.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive session at 5:31 p.m. The meeting reconvened in Public Session at 6:18 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Ms. Hueston and seconded by Mr. McKay, 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 regularly scheduled meeting of the Corporation because such disclosure may adversely impact ongoing negotiations or adversely affect the public interest.

Voting in favor were: Shannon E. Brawley, John A. Dorsey, Carol H. Hueston, Scot A. Jones, Gregory A. Mancini, Kerry P. McKay, and James Rugh.

Voting Against were: None.

Unanimously Approved.

8. ADJOURNMENT:

Upon motion duly made by Mr. Rugh and seconded by Mr. Jones, the meeting adjourned at 6:19 p.m.

Respectfully submitted:

By: _____
Assistant

John R. Pariseault,

Secretary