

**QUONSET DEVELOPMENT CORPORATION  
STRATEGIC PLANNING COMMITTEE MEETING**

**March 16, 2009**

**A meeting of the Strategic Planning Committee of the Quonset Development Corporation (the “Corporation”) was held at 4:00pm 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 Strategic Planning Committee and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island Law.**

**The following members constituting a quorum were present and participated throughout the meeting as indicated: John Simpson, Sav Rebecchi, Barbara Jackson, and Robert Breslin. Steven King, Managing Director, Katherine Trapani, Planning Manager and Kevin Barry Finance Director of Quonset Development Corporation, John Patterson, QDC Board member, Jon Reiner of Town of North Kingstown and David Preston of New Harbour participated as indicated:**

**1. Call to order**

**The meeting was called to order at 4:06pm by Chairperson John Simpson**

## **2. Approval of minutes**

**Upon motion duly made by Mr. Rebecchi and seconded by Ms. Jackson.**

**VOTED: To approve the minutes of the meeting of February 9, 2009 as submitted to the Strategic Planning Committee.**

**Voting in favor were: John Simpson, Sav Rebecchi, Barbara Jackson and Robert Breslin.**

**Voting against were: none.**

**Unanimously approved.**

## **3. Continuation of Outline review for the Operating Model Plan:**

**Mr. Simpson started the meeting by stating that the purpose of an operating plan is to re-enforce the Master Land Use and Development Plan. If we do not have a sustainable operating plan the park may not be sustainable. Last month we focused on the various expenses and revenues to see where we stand. We established certain goals, goals that the committee felt at a minimum was needed to achieve sustainability. The Committee will review the outline prepared by Kevin Barry, hereto attached as Exhibit "A" and the goals from last**

month to see if they need to be changed, modified or added to. Then from those goals we will be able to define what the operating plan will be.

Committee Members discussed and refined the nine goals agreed upon from last month's meeting: (committee members requested a copy of the power point presentation from last month's meeting be sent to them).

Mr. Barry stated that goal number 4 is really two parts. Right now it is a non-issue, because the amount to land sold and the roads associated with such are pretty equal to the amount of roads that the Town is responsible for.

Ms. Jackson stated that is true for snow plowing, but there are a lot of common areas, such as beaches, and museums. There is a lot of stuff here that QDC is responsible for, and some tenants are paying and some are not.

Mr. Simpson stated that it comes down to marketing appeal. If you have common areas and you feel they are important to make this park more appealing, for current and future tenants who purchase or lease, they are all part of the park. Having a bike path and museums and park like places is a nice thing to have, makes it more appealing. It's all about aesthetics and looking at other business parks, they are

**just buildings and offices. There are no aesthetic values. We have a harbor and all the other things we have going for us, even the golf course. Someone needs to maintain them.**

**Mr. King added that we are stuck on the notion that tenants are paying precisely for that to happen. I think of it a little differently. QDC collects all the rental revenue; we utilize it to fund services. We could say that the state, through QDC, is subsidizing the maintenance of all the common facilities at Quonset. Independent of what each tenant is paying.**

**Mr. Simpson stated that maybe the language needs to be different. What I hear you saying is that there should be significant revenue to maintain common areas appropriately, whether it is coming from purchases, C.A.M. charges or leases.**

**Ms. Jackson added that the goal is to provide a revenue stream and it does that.**

**Mr. King agreed and that is what we started with, with the amount of acreage that we need to have to maintain, as we said lease vs. sale.**

**Mr. Simpson added that what we need to say is that we need to ensure sufficient revenue to provide appropriate services for the common areas.**

**Ms. Jackson stated the committee's goal is to provide an ongoing revenue stream, whatever the situation is. Strategies will further define this.**

**Mr. Simpson added that it is defining the appropriate revenue, which is what we are saying for the common areas.**

**Ms. Jackson added that I think we can include that the revenue can come from both lease and sale properties, from all park tenants, regardless of the ownership. We need to show we are not just talking about the lease tenants.**

**Mr. Breslin asked that for this practical matter that is what we are talking about. How do you get extra money from people that you have already sold land too?**

**Mr. Barry stated that we would need legislation to do that.**

**Ms. Jackson added that we could negotiate with the Town to get a portion of the PILOT back.**

**Mr. Simpson added that we need to show ownership. That is why it needs to be said that QDC is taking ownership to maintain services of the common areas.**

**Mr. King stated that we have acknowledged that we cannot do that if**

**we sell all the property.**

**Ms. Jackson stated that she feels we need to include all the property, when we identify the revenue stream.**

**Mr. Barry restated the goal 4A (10) - Work to develop a system to recapture C.A.M. charges on previously sold and future sale property. Ensure sufficient revenue to appropriately service all common areas.**

**Committee agrees that goal number 5 needs to tie in with the PILOT.**

**Mr. King stated the PILOT expires in June - properties that are leased to third parties QDC collects payment in lieu of taxes, and sends it to the Town. The town provides police and fire services to the park. We are working on the road issue with the town manager.**

**Mr. Breslin asked that with the expiration of the agreement in June does that mean that there is no longer an obligation after June.**

**Mr. King answered no, it means that we will be asking the board to review the agreement. There is an obligation in the statute that we have to pay, and the Town has to provide police and fire services. I think the ratio works well for the tenants, the formula works, and we need to renew the agreement.**

**Mr. Simpson asked should we, for goal number 5, state that we**

**should create an equitable PILOT agreement with the town for services rendered.**

**Ms. Jackson does not like the word PILOT.**

**Mr. Rebecchi stated that we should use the word “seek” rather than “reach” an agreement, it leaves open options for general assembly action.**

**Mr. Barry restated goal number 5 – Seek a mutual agreement with the Town of North Kingstown to maintain all public properties and services**

**Mr. King stated that goal number 6 goes back to goal number one.**

**Ms. Jackson added that is how we got goal number one but I don't think it is a goal on its own. The goal we had last month was not to give away port property for non port uses, if we did we would have insufficient revenue available from the port charges. So what we need to say here is that we need to maintain an active waterfront**

**Mr. Rebecchi feels that it does not have anything to do with this; it's away from the objective of setting out a goal for a strategic operating model.**

**Ms. Jackson replied that its like a C.A.M. charge in reverse, if you**

**have minimal amount of space that only one boat a month can come, there is no way we could charge enough money, so the 100 acres is a foot print that we are not selling any more property.**

**Mr. King added that maybe we should say maintain sufficient acreage to support viable port activities.**

**Mr. Barry restated goal 7 – Maintain sufficient acreage to support viable port operations.**

**Mr. Barry stated that to goal number 8 we should add to increase and maintain 75% of leased warehouse space.**

**Mr. Simpson asked if we need any other goals, or are there any additional thoughts.**

**Ms. Trapani added that we had a consultant come in several years back and help establish strategic guiding principles; maybe we can send those out to the committee, to help with the operating plan.**

**Mr. Simpson asked that we should check the 2008 Master Land Use and Development Plan to see if it was already covered.**

**Mr. Simpson stated that the next action for the committee will be to review the outline and forward any comments to Kevin Barry. The purpose of the next month's meeting will be to review the sections we**

**have questions on and to start working on the content.**

**Ms. Jackson suggested the committee use the Master Land Use Development Plans executive summary as a preface to the operating model.**

**Refined goals:**

**1) Port, wastewater and water units must continue to break even by establishing a rate structure that includes funding for future infrastructure improvements.**

**2) The full cost of Park's Public Works must be able to charge out all expenses and be funded by interdepartmental charges.**

**3) Park must set and maintain well defined standards for all roads, grounds, and public infrastructure.**

**4) Land lease income must reflect services provided for common areas.**

**5) Seek an agreement with the Town of North Kingstown to maintain all public properties and services.**

**6) LADD water responsibility - should be cost neutral to QDC.**

**7) Maintain sufficient acreage to support viable port operations.**

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**8) Increase and maintain occupancy of existing warehouse space to 75% or greater.**

**9) Maintain a leased minimum of 300 non-port acres at all times.**

**10) Ensure sufficient revenue to appropriately service all common areas from all properties within the park.**

**There being no further business to come before the committee, upon motion duly made by Mr. Rebecchi and seconded by Ms. Jackson the meeting is adjourned at 4:55 pm.**

**Respectively submitted**

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

**Steven J, King P.E.**

**Managing Director**