

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

PUBLIC SESSION MINUTES

April 17, 2006

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held at 5:00 p.m. on Monday, April 17, 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: Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, Michael E. McMahon, Anthony F. Miccolis, Jr., John A. Patterson, Sav Rebecchi, M. Paul Sams, and John G. Simpson. Absent was: Robert Crowley. 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. Rebecchi and seconded by Mr. Sams, the Board:

VOTED: To approve the minutes of the Public Session and Executive Session meeting of March 20, 2006, as presented to the Board.

Voting in favor were: Kas R. DeCarvalho, David A. Doern, Thomas Hazlehurst, Barbara Jackson, 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. Finance

Ms. Lake noted that QDC is well ahead of budget and expects to remain on budget for year end.

B. Marketing

Mr. Grout reported that the CBRE listing agreement will be revised.

C. Managing Director's Report

Mr. Grout referenced Tab 2 in the April Board package with regard to statistical information for the Quonset-Davisville property back to the year 1980 in comparison to its current position.

Mr. Grout briefly updated the Board on the status of the Gateway project.

Mr. Grout informed the Board that there was no word on the status of Hummingbird but that Quonset Business Park is still being considered as a site for this project.

Mr. Grout referenced the newspaper article about Mega Yachts in Tab 3 of the April Board package and the possibility of locating a facility to provide service such as yachts at Quonset Business Park.

Mr. Grout advised the Board that he had a team in place to do a water resource analysis with respect to Quonset Business Park and the Hunt Aquifer.

Mr. Grout updated the Board on the logistics facility with regard to the following:

1. FRIP
2. NORAD
3. P&W Rail Road

Mr. Doern asked Chairman McMahon, with Hummingbird on hold, could the Board have a spreadsheet on competitive programs or incentives in Rhode Island versus what Massachusetts and Connecticut have available. Mr. Doern would like to know whether Rhode Island's incentives are financially competitive.

Chairman McMahon noted that there is nothing simple to hand out. He noted however that RIEDC does an analysis of the following:

1. The quality of workforce.
2. The cost of workforce which is in line with Massachusetts, Connecticut and New York.
3. The cost of energy. As far as energy costs, Rhode Island does poorly compared to the South.
4. The availability of tax credits. With regard to tax credits, Rhode Island is competitive.
5. The cost of housing. The cost of housing is not competitive with the Southern States but Massachusetts and Connecticut are even higher than Rhode Island.
6. The quality of the site. The quality of the site is one of Quonset and Rhode Island's best attributes. Businesses need to be up and running quickly and Quonset has the infrastructure to support such development.

Mr. Grout referenced Item 5 on the April Board agenda, the Municipal Services Agreement Workpaper which had been previously discussed with the Strategic Planning Committee.

Mr. Batty explained that there are still a number of outstanding issues regarding the Municipal Services Agreement and that he received a letter from Larry Parks, North Kingstown, Town Solicitor, and a meeting has been scheduled for next week.

Chairman McMahon asked Mr. Miccolis, what we should do next regarding the Municipal Services Agreement.

Mr. Miccolis suggested that the negotiating group be expanded to include decision makers on both sides.

Chairman McMahon and Mr. Miccolis agreed that a team from each side should be assembled to work out an agreement so that decisions can be made quickly.

Mr. McMahon then gave some clarification to the water issue in Rhode Island. He stated that water is not a scarce resource in Rhode Island. It is a matter of connecting the right pumps and pipes. Rhode Island has 480 different water boards. The problem is how to connect all of the resources.

4. QUONSET DEVELOPMENT CORPORATION COMMITTEE REPORTS:

A. Strategic Planning: Mr. Simpson stated that the Committee had discussions regarding Critical Success Factors and the Municipal Services Agreement Workpaper that spoke to three alternatives which are as follows:

1. Residual Asset Strategy
2. Special Improvement District
3. Development District

Mr. Simpson explained that an additional Critical Success Factor was established in the Committee meeting. That additional factor was consistent vehicle access into Quonset Park. He stated that the location of the proposed commuter rail station and housing at Quonset was not discussed.

Mr. Patterson noted that the Town has not finalized its position on housing at Quonset Business Park.

B. Finance: Ms. Jackson reported that there were no significant variations from the budget. Ms. Jackson also noted that staff should prepare a Master Lease for the NORAD property.

C. Marketing: Mr. Hazlehurst noted that the Marketing Committee meeting scheduled for 4:00 p.m. was canceled.

D. Governance: There was no scheduled meeting. Mr. Patterson noted that the Committee should review our procedures to confirm that we are following "best practices".

5. APPROVAL REQUESTS:

A. Approval of Virginia Transportation Corporation Sale:

Mr. Grout explained that the Strategic Planning Committee recommended that the parcels within Commerce Park be leased instead of sold. Based on his discussion with the Committee, Mr. Grout felt that the Committee did not want to relinquish control of such assets. He suggested that the Board amend the transaction to be a lease transaction. Mr. Patterson asked what the Board will do if the firm is unwilling to lease the property.

Mr. Grout responded that QDC would have to turn away the seller. Mr. Miccolis stated that this change of direction should be discussed by the entire Board.

Chairman McMahon explained that the real estate values of Quonset's parcels will continue to go up. He stated that leasing the land appears to be a better economic decision for everyone.

The Board deferred action on this matter to its next regularly scheduled meeting.

B. Election of Officers:

Mr. Batty informed the Board that a formal vote was needed to confirm the election of Officers.

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

VOTED: That the following persons are hereby elected to the offices set forth opposite their names, to hold such offices until the time fixed in accordance with the By-Laws of the Corporation for the next annual meeting of the Board of Directors of the Corporation and thereafter until their successors shall have been duly elected and qualified:

<u>Name</u>	<u>Office</u>
Paul Sams	Vice-Chairperson
E. Jerome Batty	Secretary
Steven J. King	Chief Operating Officer
Mary C. Lake	Finance Director
Mary C. Lake	Assistant Secretary

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

Voting against were: none.

Unanimously Approved.

6. MOTION TO ADJOURN TO EXECUTIVE SESSION:

Upon motion duly made by Mr. Miccolis and seconded by Mr. Patterson 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”).

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

Voting against were: None.

The meeting adjourned to Executive Session at 5:41 p.m. The meeting reconvened in Public Session at 6:20 p.m.

7. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Doern and seconded by Mr. Miccolis, 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.

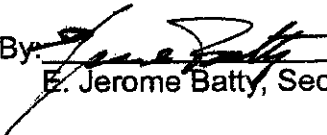
Voting in favor were: Mr. DeCarvalho, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis, Mr. Rebecchi, Mr. Sams and Mr. Simpson.

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. Doern, the meeting was adjourned at 6:22 p.m.

Respectfully submitted by:

By: 
E. Jerome Batty, Secretary