

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

March 15, 2010

PUBLIC SESSION MINUTES

A meeting of the Board of Directors of the Quonset Development Corporation (the "Corporation") was held on Monday, March 15, 2010, at the offices of Ocean State Job Lot Corporate offices located at 375 Commerce Park Road, 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, Barbara Jackson, John G. Laramee, Richard L. Pastore, John A. Patterson, Sav Rebecchi, John G. Simpson and Keith Stokes. Absent was: Kas DeCarvalho. 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.

Prior to the meeting, the members of the Board were given a tour of the Ocean State Job Lot's ("OSJL") Warehouse and Distribution Center by Marc Perlman. Ocean State Job Lot started out only doing business in Rhode Island but now has over 90 stores in RI, MA, ME, VT, NH, NY and CT and they expect to have 100 stores by the end of 2010.

Mr. Perlman noted that the warehouse is set up in a way to maximize efficiency and a large part of that is due to the staff. Mr. Perlman added that employees are paid well because OSJL believes that employee retention is a large part of the success of the center.

1. CALL TO ORDER:

The meeting was called to order at 5:09 p.m. by Chairman Stokes.

The Board thanked Mr. Perlman for the tour of the OSJL facility. Mr. King offered a special thanks to Mr. Perlman for the substantial amount of food that is donated by Job Lot every year.

2. APPROVAL OF MINUTES:

Mr. Batty noted for the Board that there was one correction in the Public Session minutes on page 8. In the second to last paragraph, the date noted should be January 1, 2010 not February 1, 2009.

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

VOTED: To approve the Public Session and Executive Session minutes of the January 11, 2010 meeting, as amended.

Voting in favor were: James D. Berson, Robert H. Breslin, Barbara Jackson, John G. Laramee, 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 with the Board.

Development and Planning:

Mr. King announced that QDC was awarded \$22.3 million, nearly half of the application amount of \$45.4 million, under the TIGER grant. Mr. King extended his appreciation to Katherine Trapani, QDC Planning Manager, for her work putting together the application for the grant and he acknowledged the congressional delegation and the Governor for their support during the process. Mr. King noted that details of the award are not available yet but there are some general guidelines related to the award. QDC will work closely with the Maritime Administration (“MARAD”) who will be administering the award.

- EDA grant for the Commerce Park Connection Road has been filed.
- 2009 Statutory Report and Financial Statements were submitted to the General Assembly, municipal executives, and QDC Board of Directors.
- Draft Operating Plan has been provided to the members of the Strategic Planning Committee. A committee meeting will be held next month.
- New Boston Development Partners, LLC is finalizing the Hotel deal this week. An announcement is hopefully expected next week.
- Mill Creek Marine, Inc. has worked through some obstacles with the Navy and SBA, and is getting closer to closing on their financing.
- Alterra Energy Services, Inc. and Atlantic Ethanol, Inc. have both submitted applications for financing under the ARRA. Decisions should be made by the end of April and if approved the project could receive a government guarantee of up to 85% of the financing.
- Lease with the Quonset Davisville Navy Yacht Club has been executed.

Construction:

- QDC has received bids for the Romano Vineyard Way Bridge project. John Rocchio Corporation of Smithfield was the low bidder with a bid of \$3,333,626.50. A tentative notice of award has been issued and the EDA has concurred with the award. Mr. King noted that the EDA is now using our documents as a model for grant applications nationwide. Katherine Trapani was acknowledged for her work on this application.
- NOAA building superstructure is being erected. The pier improvement work for the berth space has been bid with a low bid of \$808,460.00 by Specialty Diving Services, Inc. who is a tenant in the Park.

Mr. King noted that both these projects came in well below budget.

Operations:

- Maintenance Crew continues to do a good job throughout the Park.

Port Operations:

- The Port received 9 ships totaling 10,129 autos and 267 rail cars inbound in February.

Finance and Administration:

- Total revenues are running slightly better than budget due to Amity Ace settlement and option payments from DeepWater Wind Rhode Island, LLC and Alterra Energy Services, Inc.
- Water and wastewater sales continue to run slightly below budget primarily due to conservation efforts and the closing of the Stanley Bostitch plant in the Park.

Mr. King advised the Board that he was invited to speak to a legislative joint commission studying Ports on February 24, 2010. Mr. King noted that a company called Columbia Coastal Transport, LLC, with whom the Corporation has had some discussions, gave a presentation which has been provided to the Board (Exhibit A). Mr. King pointed out that the TIGER grants would provide for the Corporation to purchase a 5 million dollar crane; key to the economics of shore sea shipping.

Mr. Rebecchi noted that the Board has not approved the use of the crane at the Port. Mr. King noted that there is a Tariff in place for the Port of Davisville and there are no restrictions against the use of the crane. Mr. Rebecchi acknowledged he had no issue with the Tariff, but would like to discuss the restrictions on size and discuss the impact of the operations. Mr. King agreed and suggested that this would be a good topic for the QDC subcommittees to explore.

Mr. King noted that on March 31st, Grow Smart RI and Save the Bay are having a forum to discuss port development in Rhode Island. Evan Matthews, QDC Port Director, will be speaking regarding the operation of the Port of Davisville.

Mr. Berson complimented Mr. King for his presentation to the North Kingstown League of Women Voters and added that getting good information out about the Park was essential to dispelling some of the myths surrounding Quonset.

4. COMMITTEE REPORTS:

There were no committee reports.

5. APPROVAL REQUESTS:

A. Approval of Ground Lease with Amtrak (National Railroad Passenger Corporation):

Mr. King reviewed the transaction with the Board of Directors stating that the Corporation is seeking a 5 year ground lease with Amtrak (National Railroad Passenger Corporation) for 23.3 acres of property located in West Davisville. The intended use of this property is for a staging area for the tie replacement construction project along the Northeast Corridor between Boston and New Haven for track work at Wickford Junction in support of South County Commuter Rail. Amtrak will be investing \$3.9 million and will create 12 construction jobs (on-site) and 25 long term jobs. The annual base rent is \$325,000 with a 2.5% annual increase on each anniversary date. The North Kingstown Town Planner has approved the project and this lease will generate approximately \$49,943 annually in PILOT payments.

Mr. King also noted that there will be tie crushing involved in the project but it will be limited to between 7:00 a.m. to 7:00 p.m. per the QDC Development Regulations. The Corporation is also considering a license agreement to allow Amtrak to store materials on the property, until the lease can be executed, at a cost of \$2,500 per month. Mr. King added that this lease has brought up the opportunity to possibly purchase another 50 acre site to improve the infrastructure and expand West Davisville property. Mr. King hopes to have more details for April's Board meeting.

Mr. Pastore asked how Amtrak will control dust during the tie crushing processes so as to reduce the effect on the neighboring community. Mr. King explained that there will be water spray devices added to the crushers which will control dust similar to the New Haven, CT facility.

Mr. Pastore also asked about the noise levels related to this work. Mr. King advised that Amtrak is aware that they must stay within the development regulations and keep noise levels below 50 (dB) at the property lines.

Ms. Jackson asked if there were complaints about the work hours or noise would Amtrak be willing to discuss the possibility of dialing back their hours from the Quonset regulations of 7:00 a.m. to 7:00 p.m., M-S to 7:00 a.m. – 6:00 p.m., M-F and until 2:00p.m. on Saturday. Amtrak representatives stated they would be open to that discussion but explained that the crusher would be located in the center of the site and noise should be minimal.

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

VOTED: To approve the Lease Agreement with Amtrak – National Railroad Passenger Corporation.

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

Voting Against were: None

Unanimously Approved.

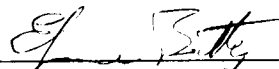
Mr. Laramee moved to welcome Mr. Stokes as the Corporation's new Chairman of the Board and Executive Director of Rhode Island Economic Development Corporation. Mr. Stokes was warmly welcomed by the members and the audience.

Mr. Stokes spoke briefly to the Board about his plans for economic development. Mr. Stokes noted that RIEDC has a new Board of Directors and would like to see a joint session between QDC and RIEDC in the near future. Mr. Stokes would like to impress upon the new RIEDC Board the importance of Quonset Business Park.

Mr. Breslin offered his congratulations to Mr. King and Ms. Trapani on their work on the TIGER grant.

There being no further business to come before the Board, upon motion duly made by Mr. Rebecchi and seconded by Mr. Pastore, the meeting was adjourned at 5:41 p.m.

Respectfully submitted:

By: 
E. Jerome Batty, Secretary