

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

June 20, 2023

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, June 20, 2023, 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 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: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, Eric Shorter, and Elizabeth M. Tanner. Absent were: David M. Langlais, Susan Leach DeBlasio, and Guillaume de Ramel. Present also were: Steven J. King, P.E., Managing Director; Norine V. Lux, Finance Director; Ryan M. Gainor, Hinckley, Allen & Snyder LLP; and the Corporation's staff, and members of the public.

1. **CALL TO ORDER:**

The meeting was called to order at 5:03 p.m. by Chairperson Tanner.

2. **APPROVAL OF MINUTES:**

Upon motion duly made by Mr. Gralnek and seconded by Mr. Wishart, the Board:

VOTED: To approve the Public Session Minutes of the May 16, 2023, meeting.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

3. **QDC STAFF REPORTS:**

Mr. King began his staff report with a brief overview of "Quonset Day" at the Rhode Island State House. The Corporation sponsored "Quonset Day" on June 6, 2023, at the Rhode Island State House in which Quonset Business Park businesses showcased their unique offerings. The Corporation also revealed economic impact numbers based on the Bryant

University's 2023 Report on the Economic Impact of the Quonset Business Park. Mr. King continued by noting that in relation to the Quonset Business Park there has been over a billion dollars of investment since 2013, there are currently 13,033 jobs, and 229 companies. Mr. King stated that the total job impact from induced direct and indirect benefits is 24,681 jobs, 19% of manufacturing jobs in Rhode Island are the Quonset Business Park, and the average wage of Quonset workers is \$69,656.00 compared to Rhode Island's average wage of \$62,979.00. Quonset jobs produce about \$1.72 billion in household income, generate about \$5.9 billion (8.3%) of the state's GEP generates \$169.1 million in state tax per year, and generates \$200 million in federal tax per year. Finally, Mr. King noted that approximately 1 out of 20 jobs in Rhode Island is in the Quonset Business Park. Mr. King thanked New Harbor Group for their efforts in organizing "Quonset Day".

Mr. Shorter asked if Quonset tracks Woman-Owned Business Enterprise (WBE), Minority-Owned Business Enterprise (MBE) or other Disadvantaged Business Enterprise (DBE) businesses in the Quonset Business Park. Mr. King stated that the Corporation puts goals in all of its contracts and does track that information which typically falls within the average participation for the state of around 15-20%. Ms. Tanner asked for an update on WBE, MBE and DBE in the Quonset Business Park.

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

Mr. McCoy asked about needed upgrades to the carrier pier. Mr. King stated that the carrier pier is owned by the Rhode Island Airport Corporation but that the Corporation is having discussions with them to take over ownership, since the pier is more correlated with the work of the Corporation than the Rhode Island Airport Corporation.

4. COMMITTEE REPORTS:

Mr. Jones stated that recommendations of the Executive Compensation Committee meeting held May 31, 2023, will be presented to the Board in Executive Session.

5. APPROVALS:

A. Approval of Ground Lease Option Agreement and Ground Lease with Eversource Investment Service Company, LLC (Eversource):

Mr. King reviewed the Request for Board Authorization for the Utility-Scale Hydrogen Production facility with the Board. Mr. King reminded the Board that there was a briefing in Executive Session previously regarding this project. Mr. King explained that hydrogen is becoming a favorable potential option for powering trucks, bus fleets, and similar vehicles. Mr. King stated that hydrogen production has the interest of the federal government in relation to the Infrastructure Investment and Jobs Act to fund several hydrogen hubs around the country. Several states have teamed up to build a hydrogen hub in New England and Eversource has applied in the same grant for the Utility-Scale Hydrogen Production facility at Quonset as a component project of the New England "hub" application. Eversource proposes to create green hydrogen by using the power of the offshore wind farm that is tying

into grid at Quonset to power their electrolyzers to generate the hydrogen making it “green hydrogen”.

Mr. King stated that Eversource is proposing to build a utility-scale green hydrogen production facility, including up to 3 electrolyzers producing approximately 8 metric tons of hydrogen per day, with 5 metric tons of onsite short-term storage capacity. Mr. King pointed out that this project has been estimated at \$300 million investment for the Park and the option to lease term is five (5) years but by the fifth year the option payment is almost as much as proposed rent. Mr. King explained that since this is groundbreaking new technology, Eversource was given a longer option period. The proposed lease term is 20 years with two (2) five (5) year extensions with rent set at \$19,000.00 per acre or \$205,390.00 per year. Mr. King reviewed the balance of the transaction request including safety precautions involving providing hydrogen meters and/or other appropriate technology for all existing fire and emergency response apparatus owned and operated by the Town of North Kingstown Fire Department and provide training. Mr. King reminded the Board that the North Kingstown Fire Chief had previously provided a letter that North Kingstown Fire Department had no objection to the project.

Mr. King noted that the agreements would be with a new entity, YES Clean Hydrogen, LLC through their agent Eversource Investment Service Company, LLC which would guaranty the obligations of the tenant.

Ms. Tanner asked if Quonset businesses will be notified of the project. Mr. King said the Corporation does not have a formal process regarding notification and these approvals are public, but the Corporation will consider notifying the abutters during the option period.

Upon motion duly made by Mr. McCoy and seconded by Mr. Gralnek, 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 Ground Lease Option Agreement (the “Ground Lease Option Agreement”) and a Ground Lease (the “Ground Lease”) and related instruments as deemed appropriate by the Authorized Officers) with YES Clean Hydrogen, LLC, through their agent Eversource Investment Service Company, LLC for the leasing of (i) that certain parcel being approximately 10.34 acres located at 71 Ocean State Drive and currently designated as North Kingstown Tax Assessor Plat 190, Lot 26, the terms of such Ground Lease Option Agreement and Ground Lease to be substantially in accordance with the Request for Board Authorization presented to the Board (the Ground Lease Option Agreement and Ground Lease and such 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, including 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: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

6. **RHODE ISLAND READY:**

A. RI Ready Status Update:

Ms. Siefert reviewed the status of the applications to the RI Ready program. Ms. Siefert highlighted the two new applications received by the program: the first on Division Road in West Warwick and the second on Great Road in North Smithfield.

Ms. Siefert noted that the Town of Burrillville signed the Memorandum of Understanding for the Bronco Highway site in Burrillville and work is now underway to conduct municipal services and economic assessments.

7. MOTION TO ADJOURN TO EXECUTIVE SESSION:

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

The Chairperson will announce that a portion of the meeting will be held in Executive Session to consider and take appropriate action on such matters as permitted by subsection (1) discussions of the job performance, character, or physical or mental health of a person or persons provided that such person or persons affected shall have been notified in advance in writing and advised that they may require that the discussion be held at an open meeting; 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. The Chairperson entertains a motion to adjourn to Executive Session. An affirmative vote of a majority of the members is required.

- A. Discussion of a prospective new project at the Quonset Business Park.
- B. Discussion of the job performance and vote regarding compensation of the Managing Director.
- C. Discussion of an existing employee benefit program.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:47 p.m. The meeting reconvened in Public Session at 6:33 p.m.

8. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:

Upon motion duly made by Mr. Jones and seconded by Mr. McCoy, 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: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

9. APPROVAL OF MANAGING DIRECTOR'S BONUS FOR FY2023 AND COMPENSATION FOR FY2024:

Chairperson Tanner announced that the following vote was taken in Executive Session:

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

VOTED: To approve the following compensation for the Corporation's Managing Director: 5% increase in the base salary for the Managing Director of the Corporation for Fiscal Year 2024.

VOTED: To approve the following compensation for the Corporation's Managing Director: an annual performance bonus of 18% of Fiscal Year 2023 salary, based upon Board approved guidelines, to the Managing Director of the Corporation for the work performed during Fiscal Year 2023.

VOTED: To commission a full Executive Compensation Study for the purpose of re-examining the current Performance Review Process and to evaluate Compensation Structure for the Managing Director and to report back and recommend changes to the Full Board of Directors for FY2025.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

10. ADJOURNMENT:

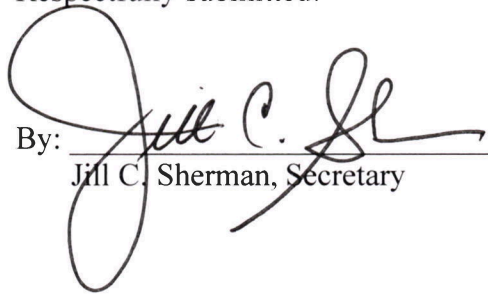
Upon motion duly made by Mr. Jones and seconded by Mr. Gralnek, the meeting adjourned at 6:34 p.m.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By:  _____
Jill C. Sherman, Secretary