

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

**SEPTEMBER 19, 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, September 19, 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, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, Susan M. Riley, and Elizabeth M. Tanner. Absent were: Susan Leach DeBlasio and Eric Shorter. Present also were: Steven J. King, P.E., Managing Director; Norine V. Lux, Finance Director; Chelsea Siefert, Chief Operating Officer; John R. Pariseault, Hinckley, Allen & Snyder LLP; Erica Olobri, Marcum LLC; 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. McCoy and seconded by Mr. Langlais, the Board:

**VOTED:** To approve the Public Session Minutes of the August 15, 2023, meeting.

Voting in favor were: William W. Harsch, Scot A. Jones, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, and Susan M. Riley

Abstaining was: Don Gralnek

Voting Against were: None.

Motion Passed.

3. **ODC STAFF REPORTS:**

Mr. King reviewed the staff report with the Board.

4. **COMMITTEE REPORTS:**

The Audit Finance Committee met to discuss and review the FY 2023 Audited Financial Statements on September 12, 2023, and will report committee findings during approval discussion.

5. **APPROVALS:**

A. **Acceptance of the FY2023 Audited Financial Statements:**

Ms. Lux introduced Erica Olobri from Marcum LLC, the firm conducting the audit of the FY 2023 Financial Statements (Exhibit A). Ms. Olobri presented the Board with required communications and advised the Board that Marcum LLC has issued an opinion that the Quonset Development Corporation's FY2023 financial statements fairly, in all material aspects, represent the respective financial position of the business activity and fiduciary activity of the Corporation as of June 30, 2023. The audit was conducted in accordance with auditing standards Generally Accepted in the United States (GAAS) and Government Auditing Standards. Finally, Ms. Olobri stated that Marcum LLC has issued a clean unmodified opinion on the FY 2023 financial statements.

Mr. Jones, Chair of the Audit Finance Committee, thanked Ms. Lux for her diligence and hard work over the past year. Mr. Jones reported to the Board that the Audit Finance Committee did meet and review the Audited Financial Statements on September 12, 2023, with the team from Marcum LLC. Mr. Jones stated that the Committee was satisfied with the findings of the audit and that the Committee recommends acceptance of the FY2023 Audited Financial Statements pending approval by the State Auditor General.

Mr. McCoy asked what risks were identified during the audit. Ms. Olobri stated that with GASB 87 being the reporting model for revenue recognition, there is a good amount of risk around improper inputs and amortization schedules. Ms. Olobri noted that detailed attention was paid to ensure accurate revenue output during the audit.

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

**VOTED:** To accept the FY2023 Audited Financial Statement as presented to the Board, subject to approval by the State Auditor General.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, and Susan M. Riley.

Voting Against were: None.

Unanimously Approved.

B. Approval for the Option to Lease Agreement and Lease Agreement with Deltak Manufacturing for 16 acres of AP 191, Lot 59 & 61.

Mr. King stated Deltak Manufacturing (“Deltak”) is a supply chain partner who works with Electric Boat (“EB”) to build platforms around hulls during submarine assembly. Deltak Manufacturing is headquartered in Louisiana and requires a local plant at Quonset to meet EB’s manufacturing schedule.

Mr. King reviewed the Request for Board Authorization with the Board noting that Deltak is unsure how much land will be needed for their project. The Corporation has offered a one-year option on a 16-acre parcel on Camp Thomas Way, allowing Deltak to determine size need. Mr. King continued noting that should Deltak decide to exercise their option, Deltak and the Corporation will enter into a 5-year lease with five (5) 5-year extensions for a 6-acre parcel. Mr. King stated rent will be \$105,000.00 with a 12.5% increase at the beginning of each extension period. Mr. King continued stating Deltak will have options to add an additional 5 to 10 acres during an expansion option period.

Mr. King noted that the property for this project remains in the possession of the US Government and is subject to the Lease in Furtherance of Conveyance (“LIFOC”). The LIFOC requires approval of all subleases and improvements by the US Government.

Mr. King added the use for this property is maritime related; parts created by Deltak will be loaded onto barges at the Port of Davisville and brought by water around and unloaded at EB’s facility because parts will be too big to transfer by roads.

Upon motion duly made by Mr. Jones 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 an Option to Lease Agreement (the “Option to Lease Agreement”) and a Lease Agreement (the “Lease Agreement”) (and related instruments as deemed appropriate by the Authorized Officers) with Deltak Manufacturing, Inc. (or its affiliates) for the leasing of up to +/- 16.0 acres on portions of land currently designated portions of as North Kingstown Tax Assessor Plat 191, Lots 59 and 61 located along Camp Thomas Way, the terms of such Option to Lease Agreement and Lease Agreement to be substantially in accordance with the Request for Board Authorization presented to the Board (the Option to Lease Agreement and the Lease Agreement 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, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, and Susan M. Riley.

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 noted that staff are working on a timeline to put projects on hold when they have not moved forward within a specific period. Ms. Siefert also noted that a financial summary has been added to the report for the Boards review.

7. **MOTION TO ADJOURN TO EXECUTIVE SESSION:**

Upon motion duly made by Mr. Gralnek and seconded by Mr. Lupino, 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 (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.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, Susan M. Riley.

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:44 p.m. The meeting reconvened in Public Session at 6:05 p.m.

**8. VOTE TO MAINTAIN MINUTES OF EXECUTIVE SESSION CLOSED:**

Upon motion duly made by Mr. Jones and seconded by Mr. Harsch, 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, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, Susan M. Riley.

Voting Against were: None.

Unanimously Approved.

**8. ADJOURNMENT:**

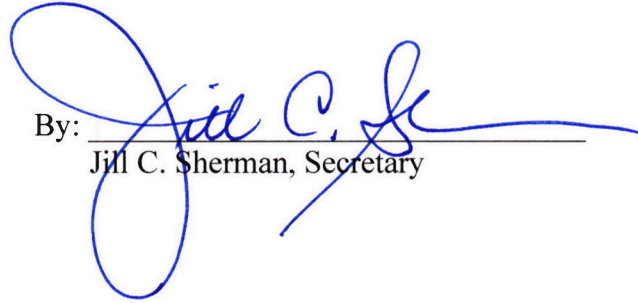
Upon motion duly made by Mr. McCoy and seconded by Mr. Gralnek, the meeting adjourned at 6:10 p.m.

Voting in favor were: Don Gralnek, William W. Harsch, Scot A. Jones, David M. Langlais, Adam J. Lupino, Matthew B. McCoy, Susan M. Riley.

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By:  \_\_\_\_\_  
Jill C. Sherman, Secretary