

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

OCTOBER 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 Thursday, October 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: Susan Leach DeBlasio, Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, Lawrence Mandel, Eric Shorter and Elizabeth M. Tanner. Absent were: David M. Langlais and Adam J. Lupino. 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; and the Corporation's staff, and members of the public.

1. CALL TO ORDER:

The meeting was called to order at 5:05 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 and Executive Session Minutes of the September 19, 2023, meeting.

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

Abstaining was: Lawrence Mandel

Voting Against were: None.

Motion Passed.

3. ODC STAFF REPORTS:

Mr. King presented Mr. Jones with a plaque for his eight years of service on the Board of Directors.

Mr. King reviewed the staff report with the Board.

4. **COMMITTEE REPORTS:**

The Audit-Finance Committee met on October 19, 2023, and the Committee will provide a report during the Acceptance of the FY2025 budget.

5. **APPROVALS:**

A. **Acceptance of FY2025 Budget:**

Mr. Jones, Audit-Finance Committee Chair, advised the Board that the Finance Committee reviewed FY2025 Operating Budget prior to the Board meeting and the FY2025 budget projects appear in good standing. The Committee recommends the acceptance of the FY2025 Operating Budget by the full Board.

Ms. Lux reviewed the proposed FY2025 Operating Budget with the Board members and noted that a significant increase in revenue is projected for FY2025 but that is coupled with increased expenses related to generating that revenue. Ms. Lux stated the total projected for FY2025 is \$24,755,000.

Ms. Lux reported that the Corporation estimates a 5% increase for employees, but the overall cost and fringe benefits are estimated at about a 2.3% increase in FY2025 due to savings related to the termination of the pension program. Ms. Lux reviewed other categories in which expenses have increased, including office supplies cost which all includes computer equipment and other small purchases and legal and audit as a result of some complex contract negotiations. Ms. Lux stated that travel and education expenses also increased for FY2025, the Corporation is encouraging the employees to attend conferences and training seminars post COVID. Ms. Lux continued noting that insurance costs are projected to increase about 16.7% in FY2025, which is driven, by cyber security and flood insurance markets. Finally, Ms. Lux pointed out that building development, which increased because of the building of Flex buildings 5 through 10 and the cost associated with maintaining the buildings; also included in that number is the PILOTs to the Town. Upon questioning, Ms. Lux stated that lab testing has also increased due to the PFAS as reported in the staff memo.

The Board discussed the line items on the proposed FY2025 Operating budget, the QDC reserve fund, and the impact of the “rent wage discount” as an operating expense.

Mr. Gralnek asked about Debt Service. Mr. King noted the Corporation’s debt service is the repayment of the GO Bond. Finally, Mr. King reviewed the items included in the FY2025 Capital Infrastructure Funding with the Board.

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

VOTED: To accept the FY2025 Operating Budget as presented.

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

Voting Against were: None.

Unanimously Approved.

B. Appointment of the Quonset Development Corporation Officers in accordance with the By-Laws of the Corporation.

Upon motion duly made by Mr. Harsch and seconded by Mr. Gralnek, 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>
Steven J. King	Managing Director
Norine V. Lux	Finance Director
Susan Leach DeBlasio	Vice Chairperson
Jill C. Sherman	Secretary
Christine Andrews	Assistant Secretary

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

Voting Against were: None.

Recused: Susan Leach DeBlasio.

Unanimously Approved.

C. Review of the 2024 Meeting Schedule

There were no comments.

D. Approval to Accept a Conveyance of 76.19 Acres of Port Property from the U.S. Maritime Administration.

Mr. King reviewed the transaction noting that this transfer has been in process since 1999. Mr. King stated there are a total of 165 acres to be conveyed to the Corporation; however, the Navy has only completed the cleanup work on 76.19 acres to date. The Navy will continue to work on the balance of the property and the Corporation expects that land to be conveyed in the next year or two. Mr. King outlined the process of conveying the land and noted that the property will be transferred from the Navy to the Maritime Administration and then conveyed to the Rhode Island Commerce Corporation. Mr. King reminded the Board that all the land at Quonset is deeded to the Rhode Island Commerce Corporation.

Mr. King advised the Board the conveyed land has deed restrictions and can only be used for Port purposes. Mr. King stated that Corporation Staff and Legal Counsel has had the opportunity to review the deed and the deed restrictions and requested a few changes, which the Maritime Administration said they would accept. Mr. King stated that upon approval by the Board, the Corporation will notify the Government of acceptance of the 76.19 acres and supply a Corporation Secretary Certificate to the US Government in order to officially transfer the land.

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

RESOLVED:

That Rhode Island Commerce Corporation acting by and through the Quonset Development Corporation (the “**Corporation**”), is hereby authorized to:

(A) accept a conveyance (the “**Conveyance**”) pursuant to that certain PORT FACILITY PROPERTY INSTRUMENT OF DISPOSAL QUITCLAIM DEED NAVAL CONSTRUCTION BATTALION CENTER DAVISVILLE, a copy of which is attached hereto as Exhibit A (the “**Deed**”), from the United States of America, acting by and through the United States Department of Transportation, as delegated to the Maritime Administrator or its designees (the “**Grantor**”), of that certain real property known as Parcel 7A, comprising 76.19 acres of land, more or less with all improvements thereon, situated, lying and being in the Town of North Kingstown, the County of Washington, State of Rhode Island, being a portion of the installation formerly known as the Construction Battalion Center Davisville (NCBC), generally described in the Federal Register on Friday, July 25, 1997 (62 FR 40055-40061) and as specifically described in detail in the Legal Description prepared by Crossman Engineering, as well as the Boundary Survey Plan, Plat 191, Lots 60, 61 & 72; and Plat 194, Lot 17; and portions of Plat 191, Lots 58, 67 & 69, Davisville

Road, North Kingston, Rhode Island, prepared by Crossman Engineering signed by Ronald N. Tubman (PLS #1939), which is dated June 3, 2022, and which are attached to the Deed (collectively, the “**Property**”);

(B) is hereby authorized to execute and deliver the Deed and such other agreements, documents and instruments, as are necessary or appropriate to effectuate such transaction (collectively, the “**Conveyance Documents**”); and

(C) is hereby authorized to comply with all of the terms and provisions of the Deed, which constitutes a legal and binding compliance obligation of the Corporation in accordance with the terms thereof.

RESOLVED:

That each of the Chair, Vice-chair, Managing Director or Finance Director of the Corporation, (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 resolution by executing, delivering and performing the Conveyance Documents and any and all modifications, amendments, supplements, renewals, confirmations and variations thereof as any of the Authorized Officers acting singularly and alone shall deem necessary, desirable, 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 Conveyance Documents (as the same may be so modified, amended or supplemented) and all related and ancillary agreements and documents in connection with the terms and conditions to be effectuated by the Conveyance Documents, 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 shall determine to be necessary, desirable and appropriate and in the best interest of the Corporation.

RESOLVED:

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.

RESOLVED: That the Secretary of the Corporation be, and hereby is, authorized and empowered to attest to the execution and delivery of any agreement, document or other instrument contemplated by any of the foregoing resolutions or as directed by any Authorized Officer.

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

Voting Against were: None.

Unanimously Approved.

E. Approval to Relocate a portion of the Green Development Utility Scale Battery Project, Approved on October 18, 2022, from Plat 190, Lot 10 to Plat 183, Lot 65 and Plat 183, Lot 13.

Mr. King reviewed the transaction to relocate the Green Development Utility Scale Battery Storage Facility from Plat 190, Lot 10 as previously approved by the Board to Plat 183, Lot 65 and Lot 13 on Callahan Road. Mr. King noted that the Town of North Kingstown's fire department garage is currently located at the new Callahan Road location and that Green Development has agreed to fund a replacement fire station in a different location. The Corporation staff are currently working on alternative locations for the fire department's garage. Mr. King reviewed the agreement with Green Development stating rent remains the same, only the location of the premises will change, with the caveat that that the new fire department's garage be built prior to the commencement of the construction of the new Green Development Utility Scale Battery Storage Facility.

Upon motion duly made by Mr. McCoy and seconded by Ms. DeBlasio, 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 Amendment of Option to Lease Agreement (the "Amendment") to amend the Option to Lease Agreement dated August 1,, 2023 (along with the Ground Lease Agreement included as an exhibit thereto, and related instruments as deemed appropriate by the Authorized Officers) with Green Development, LLC or its designee, to relocate a portion of the property subject to such Option to Lease Agreement, from North Kingstown Tax Assessor's AP 190, Lot 10 to North Kingstown Tax Assessor's AP 183, Lot 65 and North Kingston Tax Assessor's Lot 13, all as more

particularly set forth for the Request for Board Authorization presented to the Board, the terms of such Amendment to be substantially in accordance with the Request for Board Authorization presented to the Board (the Amendment 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: Susan Leach DeBlasio, Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, Lawrence Mandel, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

F. Approval to Revise and Reconfigure the Proposed Edesia Nutrition Lease Expansion, Approved on May 16, 2023, from 6.6 acres to 10.55 acres.

Mr. King reviewed the transaction to revise and reconfigure the proposed Edesia Nutrition's ("Edesia") lease expansion. Mr. King explained that, as discussed in detail in executive session, the Corporation has had to revise Edesia's expansion plan due to several factors, but mainly due to changes to another project adjacent to this expansion. Mr. King stated that Edesia's originally approved expansion will now include an additional 10.55 acres under the revised plan, which will be added to their existing lease, bringing Edesia's total leased parcel to 26.5 acres. Mr. King advised the Board that the Corporation will not increase the proposed rent under this new agreement as Edesia is modifying their expansion plan at the Corporation's request.

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 an Amendment to Ground Lease Agreement (the "Ground Lease Amendment") (and related instruments as deemed appropriate by the Authorized Officers) to amend that certain Ground Lease Agreement dated November 3, 2014, by and between the Corporation and Chelsea Realty LLC, a Rhode Island limited liability company, relating to that certain property commonly known and numbered as 550 Romano Vineyard Way and currently designated as North Kingstown Tax Assessor Plat 190, Lot 9, being an approximately 10.1 acre parcel of land (the "Premises"), for the purpose of expanding the Premises to include a portion of North Kingstown Tax Assessor Plat 190, Lot 68 (currently a railroad right-of-way) and a portion of North Kingstown Tax Assessor Plat 190, Lot 10 (Site Readiness Parcel 42), totaling +/- 10.55 acres (the total Premises under the Ground Lease Agreement after the aforementioned expansion will be +/- 20.65 acres), the terms of such Ground Lease Amendment to be substantially in accordance with the Request for Board Authorization presented to the Board (the Ground Lease Amendment 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: Susan Leach DeBlasio, Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, Lawrence Mandel, 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 noted that the memo is in a new easier to read format. Ms. Siefert stated that there was one new capital investment application, which will be included in next month's report.

Mr. McCoy asked if there would be funds added to the program for the fiscal year.

Ms. Siefert stated that RI Ready received \$40 million from the original bond and only committed about \$4 million. Ms. Siefert stated the funds do not expire and for now, there is plenty of funding remaining for the projects that have been submitted.

B. Approval to amend the Rhode Island Ready Technical Assistance Award, Approved on April 19, 2022, in Support of the Edesia Nutrition Expansion from \$200,000 to \$300,000.

Mr. King reviewed the transaction for additional technical assistance for the Edesia Nutrition Expansion's that was previously approved under the RI Ready program. Mr. King explained that because the Corporation has had to reconfigure their expansion parcel as discussed

earlier, much of the work completed by Edesia's consultant has had to be tabled and reconfigured. Mr. King stated due to these changes, the Corporation is requesting to increase the RI Ready funding for the technical assistance from \$200,000 to \$300,000.

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 execute an Amendment to Technical Assistance Agreement (the "Amendment to Technical Assistance Agreement") (and related instruments as deemed appropriate by the Authorized Officers) to amend that certain Technical Assistance Agreement dated November 1, 2022 for RI Ready Application #7E-550 Romano Vineyard Way, North Kingstown Technical Assistance Award approved on April 18, 2022, relating to that certain property commonly known and numbered as 550 Romano Vineyard Way (as the same may be expanded, the "Premises"), to increase funding from \$200,000 to \$300,000, the terms of such Amendment to Technical Assistance Agreement to be substantially in accordance with the Request for Board Authorization presented to the Board (the Ground Lease Amendment 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: Susan Leach DeBlasio, Don Gralnek, William W. Harsch, Scot A. Jones, Matthew B. McCoy, Susan M. Riley, Lawrence Mandel, and Eric Shorter.

Voting Against were: None.

Unanimously Approved.

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

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

VOTED: To adjourn to 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 and subsection 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 Adjustment to the Managing Director's compensation structure.

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

Voting Against were: None.

Unanimously Approved.

The meeting adjourned to Executive Session at 5:54 p.m. The meeting reconvened in Public Session at 6:12 p.m.

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

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

Voting Against were: None.

Unanimously Approved.

9. **REPORT OF VOTE TAKEN IN EXECUTIVE SESSION:**

Mr. Jones reported in the Public Session the vote taken in the Executive Session relating to the Managing Director's Compensation.

VOTED: To approve the following compensation for the Corporation's Managing Director: Revise base salary for the Managing Director of the Corporation for the current fiscal year retroactive to July 1, 2023, from \$231,841 to \$251,841.

VOTED: To approve the following compensation for the Corporation's Managing Director: The annual performance-based compensated bonus for fiscal year 2024 salary will follow the existing performance matrix (established 7/17/2018) (the "Existing Matrix") with a potential bonus capped at 18%.

VOTED: To approve the following compensation for the Corporation's Managing Director: The Corporation's Managing Director's base salary for fiscal year 2025 shall be \$271,841.

VOTED: Commencing in fiscal year 2025, the performance-based/bonus component of Managing Director's compensation package shall be a maximum of 10% of the base salary, and based upon the Managing Director's job performance. Further, the Board will discontinue use of the Existing Matrix and will instead rely upon a review, evaluation and recommendation by the Compensation Committee and approved by the Board. Corporation's Managing Director will provide a self-assessment report to review his performance and report to the Chairperson on a quarterly basis.

10. **ADJOURNMENT:**

Upon motion duly made by Mr. McCoy and seconded by Mr. Gralnek, the meeting adjourned at 6:15 p.m.

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

Voting Against were: None.

Unanimously Approved.

Respectfully submitted:

By: Christine Andrews
Christine Andrews, Assistant Secretary