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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2004

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A N A C T

RELATING TO STATE AFFAIRS AND GOVERNMENT - ECONOMIC DEVELOPMENT
CORPORATION

Introduced By: Senators Sheehan, Lenihan, Sosnowski, Paiva-Weed, and J Montalbano

Date Introduced: April 21, 2004

Referred To: Senate Government Oversight

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 42-64-5, 42-64-6, 42-64-7.1, 42-64-7.3 and 42-64-11 of the
2 General Laws in Chapter 42-64 entitled "Rhode Island Economic Development Corporation" are
3 hereby amended to read as follows:

4 **42-64-5. Purposes.** -- The corporation is authorized, created, and established as the
5 state's lead agency for economic development throughout Rhode Island for the following
6 purposes:

7 ~~(1) With respect to federal land or land related to federal land, to undertake any port~~
8 ~~project, and~~

9 ~~(2) With respect to real property other than federal land or land related to federal land, to~~
10 ~~undertake any port project, except a residential facility; and~~

11 ~~(3) To promote and encourage the preservation, expansion, and sound development of~~
12 ~~new and existing industry, business, commerce, agriculture, tourism, and recreational facilities in~~
13 ~~the state, which will promote the economic development of the state and the general welfare of its~~
14 ~~citizens.~~

15 (1) To promote and encourage the preservation, expansion, and sound development of
16 new and existing industry, business, commerce, agriculture, tourism, and recreational facilities in
17 the state, which will promote the economic development of the state and the general welfare of its
18 citizens; and

1 (2) With respect to real property other than federal land or land related to federal land, to
2 undertake any project, except a residential facility; and

3 (3) With respect to federal land or land related to federal land, to undertake any project ,
4 except as those responsibilities are assigned to the Quonset Development Corporation.

5 **42-64-6. General powers.** -- (a) Except to the extent inconsistent with any specific
6 provision of this chapter, the corporation shall have the power:

7 (1) To sue and be sued, complain and defend, in its corporate name.

8 (2) To have a seal which may be altered at pleasure and to use the seal by causing it, or a
9 facsimile of the seal, to be impressed or affixed, or in any other manner reproduced.

10 (3) To purchase, take, receive, lease, or otherwise acquire, own, hold, improve, use, and
11 otherwise deal in and with, real or personal property, or any interest in real or personal property,
12 wherever situated.

13 (4) To sell, convey, mortgage, pledge, lease, exchange, transfer, and otherwise dispose of
14 all or any part of its property and assets for any consideration and upon any terms and conditions
15 as the corporation shall determine.

16 (5) To make contracts and guarantees and incur liabilities, borrow money at any rates of
17 interest as the corporation may determine.

18 (6) To make and execute agreements of lease, conditional sales contracts, installment
19 sales contracts, loan agreements, mortgages, construction contracts, operation contracts, and other
20 contracts and instruments necessary or convenient in the exercise of the powers and functions of
21 the corporation granted by this chapter.

22 (7) To lend money for its purposes, invest and reinvest its funds, and at its option to take
23 and hold real and personal property as security for the payment of funds so loaned or invested.

24 (8) To acquire or contract to acquire, from any person, firm, corporation, municipality,
25 the federal government, or the state, or any agency of either the federal government or the state,
26 by grant, purchase, lease, gift, condemnation, or otherwise, or to obtain options for the acquisition
27 of any property, real or personal, improved or unimproved, and interests in land less than the fee
28 thereof; and to own, hold, clear, improve, develop, and rehabilitate, and to sell, assign, exchange,
29 transfer, convey, lease, mortgage, or otherwise dispose or encumber that property for the
30 purposes of carrying out the provisions and intent of this chapter, for any consideration as the
31 corporation shall determine.

32 (9) To conduct its activities, carry on its operations, and have offices and exercise the
33 powers granted by this chapter, within or outside of the state.

34 (10) To elect or appoint officers and agents of the corporation, and define their duties

1 and fix their compensation.

2 (11) To make and alter by-laws, not inconsistent with this chapter, for the administration
3 and regulation of the affairs of the corporation, and those by-laws may contain provisions
4 indemnifying any person who is or was a director, officer, employee, or agent of the corporation,
5 or is or was serving at the request of the corporation as a director, officer, employee, or agent of
6 another corporation, partnership, joint venture, trust, or other enterprise, in the manner and to the
7 extent provided in section 7-1.1-4.1 of the business corporation act.

8 (12) To be a promoter, partner, member, associate, or manager of any partnership,
9 enterprise, or venture.

10 (13) To have and exercise all powers necessary or convenient to effect its purposes;
11 provided, however, that the corporation shall not have any power to create, empower or otherwise
12 establish any corporation, subsidiary corporation, corporate body, any form of partnership, or any
13 other separate entity without the express approval and authorization of the general assembly.

14 (b) Express approval and authorization of the general assembly shall be deemed to have
15 been given for all legal purposes on July 1, 1995 for the creation and lawful management of a
16 subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
17 Park, that subsidiary corporation being managed by a board of directors, the members of which
18 shall be constituted as follows: (1) two (2) members who shall be appointed by the town council
19 of the town of North Kingstown; (2) two (2) members who shall be residents of the town of North
20 Kingstown appointed by the governor; (3) four (4) members who shall be appointed by the
21 governor; (4) the chairperson, who shall be the executive director of the economic development
22 corporation; and (5) non-voting members who shall be the members of the general assembly
23 whose districts are comprised in any part by areas located within the town of North ~~Kingston~~
24 [Kingstown](#).

25 [The approval and authorization provided herein shall terminate upon the establishment of](#)
26 [the Quonset Development Corporation as provided for in chapter 42-64.9.](#)

27 **42-64-7.1. Subsidiaries.** -- (a) (1) The parent corporation shall have the right to exercise
28 and perform its powers and functions, or any of them, through one or more subsidiary
29 corporations whose creation shall be approved and authorized by the general assembly.

30 (2) (i) Express approval and authorization of the general assembly shall be deemed to
31 have been given for all legal purposes on July 1, 1995 for the creation and lawful management of
32 a subsidiary corporation created for the management of the Quonset Point/Davisville Industrial
33 Park, that subsidiary corporation being managed by a board of directors, the members of which
34 shall be constituted as follows: (i) two (2) members who shall be appointed by the town council

1 of the town of North Kingstown; (ii) two (2) members who shall be residents of the town of North
2 Kingstown appointed by the governor; (iii) four (4) members who shall be appointed by the
3 governor; (iv) the chairperson, who shall be the executive director of the economic development
4 corporation; and (v) non-voting members, who shall include the members of the general assembly
5 whose districts are comprised in any part by areas located within the town of North Kingstown
6 and one non-voting member who shall be a resident of the town of Jamestown, appointed by the
7 town council of the town of Jamestown. Upon receipt of approval and authorization from the
8 general assembly, the parent corporation by resolution of the board of directors may direct any of
9 its directors, officers, or employees to create subsidiary corporations pursuant to chapter 1.1 or 6
10 of title 7 or in the manner described in subsection (b); provided, that the parent corporation shall
11 not have any power or authority to create, empower or otherwise establish any corporation,
12 subsidiary corporation, corporate body or any form of partnership or any other separate entity,
13 without the express approval and authorization of the general assembly.

14 The approval and authorization provided herein shall terminate upon the establishment of
15 the Quonset Development Corporation as provided for in chapter 42-64.9.

16 (ii) The Quonset Development Corporation shall be deemed a subsidiary of the
17 corporation:

18 (A) as set forth in subsection 42-64.9-6(c); and

19 (B) insofar as it exercises any powers and duties delegated to it by the corporation
20 pursuant to this chapter for any project other than on real and personal property owned, leased or
21 under the control of the corporation located in the town of North Kingstown, and the corporation
22 shall be deemed to have authority to delegate any of its powers, with the exception of the power
23 to issue any form of negotiable bonds or notes and the power of eminent domain, in order to
24 accomplish the purposes of chapter 42-64.9; provided, however, that the corporation may, as
25 provided for in this chapter, issue bonds or exercise the power of eminent domain on behalf of the
26 Quonset Development Corporation or to undertake a project of the Quonset Development
27 Corporation.

28 (b) As used in this section, "subsidiary public corporation" means a corporation created
29 pursuant to the provisions of this section. The person or persons directed by the resolution
30 referred to in subsection (a) shall prepare articles of incorporation setting forth: (1) the name of
31 the subsidiary public corporation; (2) the period of duration, which may be perpetual; (3) the
32 purpose or purposes for which the subsidiary public corporation is organized which shall not be
33 more extensive than the purposes of the corporation set forth in section 42-64-5; (4) the number
34 of directors (which may, but need not be, more than one) constituting the initial board of directors

1 and their names and business or residence addresses; (5) the name and business or residence
2 address of the person preparing the articles of incorporation; (6) the date when corporate
3 existence shall begin (which shall not be earlier than the filing of the articles of incorporation
4 with the secretary of state as provided in this subsection); (7) any provision, not inconsistent with
5 law, which the board of directors elect to set forth in the articles of incorporation for the
6 regulation of the internal affairs of the subsidiary public corporation; and (8) a reference to the
7 form of authorization and approval by the general assembly and to the resolution of the board of
8 directors authorizing the preparation of the articles of incorporation. Duplicate originals of the
9 articles of incorporation shall be delivered to the secretary of state. If the secretary of state finds
10 that the articles of incorporation conform to the provisions of this subsection, the secretary shall
11 endorse on each of the duplicate originals the word "Filed," and the month, day and year of the
12 filing; file one of the duplicate originals in his or her office; and a certificate of incorporation to
13 which the secretary shall affix the other duplicate original. No filing fees shall be payable upon
14 the filing of articles of incorporation. Upon the issuance of the certificate of incorporation or upon
15 a later date specified in the articles of incorporation, the corporate existence shall begin and the
16 certificate of incorporation shall be conclusive evidence that all conditions precedent required to
17 be performed have been complied with and that the subsidiary public corporation has been duly
18 and validly incorporated under the provisions hereof. The parent corporation may transfer to any
19 subsidiary public corporation any moneys, real, personal, or mixed property or any project in
20 order to carry out the purposes of this chapter. Each subsidiary public corporation shall have all
21 the powers, privileges, rights, immunities, tax exemptions, and other exemptions of the parent
22 corporation except to the extent that the articles of incorporation of the subsidiary public
23 corporation shall contain an express limitation and except that the subsidiary public corporation
24 shall not have the condemnation power contained in section 42-64-9, nor shall it have the powers
25 contained in, or otherwise be subject to, the provisions of section 42-64-12 and section 42-64-
26 13(a), nor shall it have the power to create, empower or otherwise establish any corporation,
27 subsidiary corporation, corporate body, any form of partnership, or any other separate entity,
28 without the express approval and authorization of the general assembly.

29 (c) Any subsidiary corporation shall not be subject to the provisions of section 42-64-
30 8(a), (c), and (d), except as otherwise provided in the articles of incorporation of the subsidiary
31 corporation.

32 (d) The corporation, as the parent corporation of the Rhode Island Airport Corporation,
33 shall not be liable for the debts or obligations or for any actions or inactions of the Rhode Island
34 Airport Corporation, unless the corporation expressly agrees otherwise in writing.

1 (e) The East Providence Waterfront District shall, with the approval of its commission
2 and the board of directors of the corporation, be a subsidiary of the corporation for the purposes
3 of exercising such powers of the corporation as the board of directors shall determine, and
4 notwithstanding the requirements of paragraph (b) above, the act creating the District shall be
5 deemed fully satisfactory for the purposes of this section regarding the establishment of
6 subsidiary public corporations, and the express approval and authorization of the general
7 assembly shall be deemed to have been given for all legal purposes for the creation and lawful
8 management of a subsidiary corporation created for the purposes of implementing the purposes of
9 the District.

10 (f) The parent corporation is hereby authorized and empowered to create a subsidiary
11 corporation for the expressed purpose to issue bonds and notes of the type and for those projects
12 and purposes specified in the Joint Resolution and Act of the General Assembly adopted by the
13 Rhode Island House of Representatives and the Rhode Island Senate.

14 **42-64-7.3. Voluntary dissolution of a subsidiary public corporation.** -- (a) A
15 subsidiary public corporation may be dissolved only by approval and authorization of the general
16 assembly, directing the adoption of a resolution to dissolve the subsidiary public corporation by
17 the board of directors of the parent corporation. Upon the adoption of the resolution, a statement
18 of intent to dissolve shall be executed in duplicate by the subsidiary public corporation by its
19 president or a vice president and by its secretary or an assistant secretary, which statement shall
20 set forth:

- 21 (1) The name of the subsidiary public corporation;
- 22 (2) The names and respective addresses of its officers;
- 23 (3) The names and respective addresses of its directors;
- 24 (4) A copy of the approval and the authorization from the general assembly and a copy
25 of the resolution adopted by the board of directors of the parent corporation authorizing the
26 dissolution of the subsidiary public corporation; and
- 27 (5) If, pursuant to subsection (c), the date when the subsidiary public corporation is to
28 cease to carry on its business is to be subsequent to the date of the filing, the date when the
29 corporation is to cease to carry on its business.

30 (b) Duplicate originals of the statement of intent to dissolve shall be delivered to the
31 secretary of state. If the secretary of state finds that the statement conforms to law, the secretary
32 shall:

- 33 (1) Endorse on each of the duplicate originals the word "Filed," and the month, day, and
34 year of the filing;

1 (2) File one of the duplicate originals in his or her office; and

2 (3) Return the other duplicate original to the subsidiary public corporation or its
3 representative.

4 (c) Upon the filing by the secretary of state of a statement of intent to dissolve, or upon a
5 later date, not more than thirty (30) days after the filing, as may be set forth in the statement, the
6 subsidiary public corporation shall cease to carry on its business, except insofar as may be
7 necessary for the winding up, but its corporate existence shall continue until a certificate of
8 dissolution has been issued by the secretary of state.

9 (d) After the filing by the secretary of state of a statement of intent to dissolve:

10 (1) The subsidiary public corporation shall immediately cause notice to be mailed to
11 each known creditor of the subsidiary public corporation; and

12 (2) The subsidiary public corporation shall proceed to collect its assets, sell, or otherwise
13 dispose of any of its properties that are not to be distributed in kind to the parent corporation, pay,
14 satisfy, and discharge its liabilities and obligations and do all other acts required to liquidate its
15 business and affairs, and, after paying or adequately providing for the payment of all of its
16 obligations, distribute the remainder of its assets, either in cash or in kind, to the parent
17 corporation.

18 (e) When all debts, liabilities, and obligations of the subsidiary public corporation have
19 been paid and discharged, or adequate provision has been made, and all of the remaining property
20 and assets of the subsidiary public corporation have been distributed to the parent corporation,
21 articles of dissolution shall be executed in duplicate by the subsidiary public corporation by its
22 president or a vice president and by its secretary or an assistant secretary, which statement shall
23 set forth:

24 (1) The name of the subsidiary public corporation;

25 (2) That the secretary of state has filed a statement of intent to dissolve the subsidiary
26 public corporation, and the date on which the statement was filed;

27 (3) That all debts, obligations, and liabilities of the subsidiary public corporation have
28 been paid and discharged or that adequate provision has been made for their payment or
29 discharge;

30 (4) That all of the remaining property and assets of the subsidiary public corporation
31 have been distributed to the parent corporation; and

32 (5) That there are no suits pending against the subsidiary public corporation in any court,
33 or that adequate provision has been made for the satisfaction of any judgment, order, or decree
34 which may be entered against it in any pending suit.

1 (f) (1) Duplicate originals of the articles of dissolution shall be delivered to the secretary
2 of state. If the secretary of state finds that the articles of dissolution conform to law, the secretary
3 shall:

4 (i) Endorse on each of these duplicate originals the word "Filed," and the month, day,
5 and year of the filing;

6 (ii) File one of these duplicate originals in his or her office; and

7 (iii) Issue a certificate of dissolution to which the secretary shall affix the other duplicate
8 original.

9 (2) The certificate of dissolution, together with the duplicate original of the articles of
10 dissolution affixed to the certificate of dissolution by the secretary of state, shall be returned to
11 the representative of the dissolved subsidiary public corporation. Upon the issuance of the
12 certificate of dissolution the existence of the subsidiary public corporation shall cease, except for
13 the purpose of suits, other proceedings and appropriate corporate action by directors and officers
14 as provided in this section.

15 (g) The dissolution of a subsidiary public corporation either (i) by the issuance of a
16 certificate of dissolution by the secretary of state, or (ii) by expiration of its period of duration,
17 shall not take away or impair any remedy available to or against the subsidiary public
18 corporation, its directors, or officers, for any right or claim existing, or any liability incurred,
19 prior to the dissolution if any action or other proceeding by or against the subsidiary public
20 corporation is commenced within two (2) years after the date of the dissolution. Any action or
21 proceeding by or against the subsidiary public corporation may be prosecuted or defended by the
22 subsidiary public corporation in its corporate name. The directors and officers shall have power to
23 take any corporate or other action appropriate to protect the remedy, right, or claim.

24 (h) The approval and authorization of the general assembly to dissolve the
25 Quonset/Davisville Management Corporation established pursuant to subsection 42-64-
26 7.1(a)(2)(i), shall be deemed to have been granted by the enactment of chapter 42-64.9, creating
27 the Quonset Development Corporation, and the Quonset/Davisville Management Corporation
28 shall be dissolved upon the establishment of the Quonset Development Corporation pursuant to
29 the provisions of chapter 42-64.9.

30 **42-64-11. Disposition of projects.** -- (a) Notwithstanding the provisions of any other
31 law, the corporation may sell or lease to any person, firm, partnership, or corporation, or to any
32 local redevelopment agency, or to any state or federal agency or instrumentality, or to any
33 municipality or political subdivision of the state empowered to enter into the sale or lease, any
34 project without public bidding or public sale, for consideration and upon terms as may be agreed

1 upon between the corporation and the purchaser or lessee; provided that in the case of a lease, the
2 term shall not exceed ninety-nine (99) years. The sale or lease or agreement may be consummated
3 as entered into prior to, at the date of, or subsequent to the acquisition of completion of the
4 project. Where a contract of sale or lease is entered into prior to the completion of construction of
5 the project to be conveyed or leased, the corporation may complete the project prior or
6 subsequent to the consummation of the sale or lease.

7 (b) In connection with the corporation's disposition by sale, lease, or otherwise of any of
8 its projects, the corporation is authorized to require that the party acquiring the project, or any
9 interest therein or any right to use or occupy the project, may not sell, assign, convey, lease,
10 sublease, or otherwise dispose of, in whole or in part, its interest in the project or its right to use
11 and occupy the project without the approval in writing of the corporation. The corporation may
12 not unreasonably withhold that approval; and shall state the reason or reasons upon which that
13 withholding of approval is based. In determining whether to grant or withhold that approval, the
14 corporation shall consider whether the proposed disposition will further the purposes of this
15 chapter and may consider any and all other relevant factors as well.

16 (c) The provisions of subsection (b) shall not be deemed to limit in any manner the
17 corporation's authority in connection with the disposition by sale, lease, or otherwise of any of its
18 projects or to impose those terms and conditions permitted by law with respect to those
19 dispositions as it shall determine to be desirable.

20 (d) The corporation shall dispose, by sale, lease, transfer or other agreement, of projects
21 on or related to former Navy lands in the town of North Kingstown through the Quonset
22 Development Corporation as provided for in chapter 42-64.9 and may dispose, by sale, lease,
23 transfer or other agreement, of other projects related to land and real estate development,
24 regardless of location in Rhode Island, through the Quonset Development Corporation as may be
25 mutually agreeable to the corporation and the Quonset Development Corporation.

26 SECTION 2. Chapter 42-64 of the General Laws entitled "Rhode Island Economic
27 Development Corporation" is hereby amended by adding thereto the following section:

28 **42-64-7.12. Transfer of functions to the Quonset Development Corporation. – (a)**
29 The powers, duties and responsibilities of the corporation for improving, using, managing,
30 selling, conveying, mortgaging, exchanging, transferring or otherwise, disposing real and
31 personal property located in the town of North Kingstown known as the Quonset Point/Davisville
32 industrial park, including, but not limited to, former Navy lands associated with the Quonset
33 Point naval air station and the Davisville naval construction battalion are hereby transferred to the
34 Quonset Development Corporation as may be mutually agreeable to the corporation and the

1 Quonset Development Corporation.

2 (b) The powers, duties, and responsibilities of the corporation to improve, operate,
3 manage and regulate utilities associated with Quonset Point/Davisville industrial park are hereby
4 transferred to the Quonset Development Corporation.

5 (c) The functions of the Quonset Davisville Management Corporation, established
6 pursuant to subsection 42-64-7.1(a)(2)(i) are hereby transferred to the Quonset Development
7 Corporation.

8 (d) The Quonset Development Corporation shall have the right to assume the position of
9 the corporation in agreements and regulations affected by the transfer of functions herein
10 provided for.

11 SECTION 3. Title 42 of the General Laws entitled "State Affairs and Government" is
12 hereby amended by adding thereto the following chapter:

13 CHAPTER 64.9

14 QUONSET DEVELOPMENT CORPORATION

15 **42-64.9-1. Short title.** – This chapter shall be known as “The Quonset Development
16 Corporation Act.”

17 **42-64.9-2. Creation.** – (a) There is authorized, created, and established a public
18 corporation of the state having a distinct legal existence from the state and not constituting a
19 department of state government, which is a governmental agency and public instrumentality of
20 the state, to be known as the “Quonset Development Corporation,” as real estate development and
21 management company, with those powers and purposes that are set forth in this chapter, with the
22 objectives of providing and promoting and encouraging the preservation, expansion and sound
23 development of new and existing industry, business, commerce, and related tourism and
24 recreational facilities, attracting and retaining “high value added” employment opportunities, and
25 promoting thereby the economic development of the state and the general welfare of its citizens.

26 (b) The exercise by the corporation of the powers conferred by this chapter shall be
27 deemed and held to be the performance of an essential governmental function of the state for
28 public purposes. It is the intent of the general assembly by the passage of this chapter to vest in
29 the corporation all powers, authority, rights, privileges, and titles which may be necessary to
30 enable it to accomplish the purposes herein set forth, and this chapter and the powers granted
31 hereby shall be liberally construed in conformity with those purposes.

32 (c) The corporation and its corporate existence shall continue until terminated by law or
33 until the corporation shall cease entirely and continuously to conduct or be involved in any
34 business whatsoever in furtherance of its purposes; provided, that no termination shall take effect,

1 so long as the corporation shall have bonds, notes, or other obligations outstanding, unless
2 adequate provision shall have been made for the payment thereof pursuant to the documents
3 securing the obligations or to the terminating law. Upon termination of the existence of the
4 corporation, all of its rights and properties shall pass to and be vested in the economic
5 development corporation, established pursuant to chapter 42-64, or its successor or, if the
6 economic development corporation is terminated and there is no successor, in the state. At no
7 time shall the assets or other property of the corporation inure to the benefit of any person or
8 other corporation or entity.

9 **42-64.9-3. Purposes.** – The corporation is authorized and established for the following
10 purposes:

11 (a) To develop, manage, and convey “Federal land” as defined in subdivision 42-64-3(9)
12 on behalf of the state, consistent with base reuse plans and plans duly adopted and/or ratified as
13 provided for in this chapter.

14 (b) To undertake projects as defined in subdivision 42-64-3(20); provided, however, that
15 the corporation shall not have the power to issue bonds or notes or exercise eminent domain,
16 provided further that nothing herein shall be deemed to limit or otherwise restrict or diminish the
17 powers of the economic development corporation, in accordance with chapter 42-64, to issue
18 bonds on behalf of the corporation or for a project of the corporation or to exercise eminent
19 domain on behalf of the corporation or in conjunction with a project of the corporation.

20 (c) To establish, implement, and maintain high standards for design, improvement,
21 operation, and use of property under its control in order to provide sites and related amenities for
22 high quality businesses that create high value added jobs in Rhode Island.

23 (d) To foster and maintain effective working relations with its host and surrounding
24 communities.

25 (e) To establish a professional capacity for the state to develop, manage, and market state
26 lands for commercial purposes and to act as a subsidiary of the economic development
27 corporation for this purpose.

28 **42-64.9-4. Definitions.** – (a) As used in this chapter, words and terms, shall have the
29 meaning set forth in section 42-64-4 unless this chapter provides a different meaning or unless the
30 context indicates a different meaning or intent.

31 (b) Within this chapter, the following words and terms shall have the following meanings
32 unless the context indicates a different meaning or intent:

33 (1) “Board” means the board of directors of the corporation.

34 (2) “Chairperson” means the chairperson of the board of directors of the corporation.

1 (3) “Corporation” means the Quonset Development Corporation.

2 (4) “Quonset Business Park” means former Navy lands in the town of North Kingstown,
3 and lands related thereto, and personal property thereon, which are or have been owned, leased,
4 managed and/or under the control of the economic development corporation.

5 **42-64.9-5. General powers.** – Except to the extent inconsistent with any specific
6 provision of this chapter, the corporation shall have and may exercise all general powers set forth
7 in this section and section and 42-64-6 necessary or convenient to effect its purposes, which shall
8 include the powers to acquire and to dispose of real property, subject to the provisions of this
9 chapter, without the necessity of obtaining the approval of the state properties committee or
10 otherwise complying with the provisions of title 37 and to dispose of projects as provided for in
11 section 42-64-11.

12 **42-64.9-6. Additional general powers and duties.** – In addition to the powers
13 enumerated in section 42-64.9-5, except to the extent inconsistent with any specific provision of
14 this chapter, the corporation shall have and may exercise additional general powers:

15 (a) As set forth in section 42-64-7 necessary or convenient to effect its purposes;
16 provided, however, that the corporation shall not have the power to issue bonds or notes or
17 exercise eminent domain;

18 (b) As a subsidiary of the economic development corporation as provided for in section
19 42-64-7.1;

20 (c) As the economic development corporation’s true and lawful attorney as agent and
21 attorney-in-fact and in the name, place and stead of the economic development corporation with
22 respect to all property of the economic development corporation at Quonset Business Park
23 (hereinafter referred to as “the Property”) and for the purposes hereinafter set forth:

24 (1) To ask, demand, recover, collect, receive, hold and possess all sums of money, debts,
25 dues, goods, wares, merchandise, chattels, effects, bonds, notes, checks, drafts, accounts,
26 deposits, safe deposit boxes, interests, dividends, stock certificates, certificates of deposit,
27 insurance benefits and proceeds, documents of title, personal and real property, tangible and
28 intangible property and property rights, liquidated or unliquidated, which now are or hereafter
29 shall be or become due, owing, or payable in respect to the Property, and upon receipt thereof, or
30 of any part thereof, to make, sign, execute, and deliver such receipts, releases or other discharges
31 for the same as the corporation shall deem proper.

32 (2) To lease, purchase, exchange and acquire, and to bargain, contract, and agree for the
33 lease, purchase, exchange, and acquisition of, and to take, receive, possess and manage any real
34 or personal property related in any way to the Property, tangible and intangible, or any interest

1 therein.

2 (3) To enter into and upon all and each of the real properties constituting a part of or
3 related in any way to the Property, and to let, manage, and improve the real property or any part
4 thereof, and to repair or otherwise improve or alter, and to insure any buildings or structures
5 thereon.

6 (4) To market and sell, either at public or private sale, or exchange any part or parts of the
7 real or personal properties, including indebtedness or evidence thereof, constituting a part of or
8 related in any way to the Property, including sales on credit, and for that purpose to execute and
9 receive all promissory notes, bonds, mortgages, deeds of trust, security agreements, and other
10 instruments which may be necessary or proper, and to bargain, contract and agree with respect to
11 the sale or exchange of such properties; and to execute and deliver good and sufficient deeds,
12 bills of sale, assignments, or other instruments or endorsements for the conveyance or transfer of
13 the same; and to give receipts for all or any part of the purchase price or other consideration.

14 (5) To sign, endorse, execute, acknowledge, deliver, receive, and possess such
15 applications, contracts, agreements, options, covenants, deeds, conveyances, trust deeds,
16 mortgagees deeds, security agreements, bills of sale, leases, mortgages, assignments, insurance
17 policies, bills of lading, warehouse receipts, documents of title, bills, bonds, debentures, checks,
18 drafts, bills of exchange, notes, stock certificates, proxies, warrants, commercial paper, receipts,
19 withdrawal receipts and deposit instruments relating to accounts or deposits in, or certificates of
20 deposit of, banks, savings and loan or other institutions or associations, proofs of loss, evidences
21 of debts, releases, and satisfactions of mortgages, judgments, liens, security agreements, and other
22 debts and obligations, and other instruments in writing of whatever kind and nature as be
23 necessary or proper in the exercise of the rights and powers herein granted.

24 (6) To enter into subordination agreements, intercreditor agreements, reinstatement
25 agreements, "stand still" and "stand-by" agreements, modification agreements, forbearance
26 agreements, and other contracts having the effect of subordinating, modifying, renewing,
27 restructuring or otherwise altering the rights, obligations or liabilities of the economic
28 development corporation, under or with respect to any indebtedness, property or other assets
29 constituting or securing any Property.

30 (7) To make demands, give notices of default, notices of intention to accelerate, notices
31 of acceleration, or such other notices as the corporation deems necessary or appropriate, and to
32 take other actions and exercise other rights which may be taken under the terms of any loan
33 agreements, security agreements, guaranties, or other documents or agreements evidencing or
34 otherwise relating to the Property, including foreclosure, lease, sale, taking possession of,

1 realization upon or any other disposition of any Property or any collateral therefor or guarantee
2 thereof.

3 (8) To exercise any powers and any duties vested in the economic development
4 corporation as a partner, joint venturer, participant or other joint interest holder with respect to
5 any Property, or to concur (or not) with persons jointly interested with the economic development
6 corporation in any Property.

7 (9) With respect to the Property: (i) To sue on or otherwise prosecute any claim or cause
8 of action, or commence or seek any legal, equitable or administrative or other remedy in any
9 legal, administrative, arbitration, mediation or other proceeding whatsoever (including, non-
10 judicial repossessions and foreclosures or similar actions to recover collateral); (ii) to defend, or
11 otherwise participate for or in the name of the economic development corporation in any legal,
12 administrative, arbitration, mediation or other proceedings; (iii) to process, determine, or adjudge
13 any claim or cause of action for or in the name of the economic development corporation; (iv) to
14 compromise, settle, discharge or resolve, or make, execute, or deliver any endorsements,
15 acquittances, releases, receipts, or other discharges of any claim, cause of action, determination,
16 judgment or other proceeding for or in the name of the economic development corporation; and
17 (v) to prepare, execute and file ad valorem, franchise and other tax returns, protests and suits
18 against taxing authorities, and to prepare, execute and file other governmental or quasi-
19 governmental reports, declarations, applications, requests and documents in connection with any
20 Property, and to pay taxes in connection with the Property as the corporation deems necessary or
21 appropriate, or as otherwise required by law.

22 (10) Any third party shall be entitled to rely on a writing signed by the corporation to
23 conclusively establish the identity of a particular Property as property for all purposes hereof.

24 (d) To own, hold, improve, operate, manage, and regulate utilities at the Quonset
25 Business Park and to establish rates, fees, and charges, to adopt regulations, and to impose
26 penalties for any services or utilities it provides or causes to have available and to have functions
27 and exercise powers as necessary and appropriate under the provisions of sections 42-64-4, 42-
28 64-7.4, 42-64-7.8, 42-64-7.9 and 42-64-9.1 through 42-64-9.10, inclusive.

29 (e) To enter into agreements with any city, town, district or public corporation with
30 regard to application and/or administration of zoning or other land use ordinances, codes, plans,
31 or regulations, and cities, towns, districts, and public corporations are hereby authorized and
32 empowered, notwithstanding any other law to the contrary, to enter into such agreements with the
33 corporation and to do all things necessary to carry out their obligations under such agreements; in

1 the absence of any such agreement the corporation shall act in accordance with the provisions of
2 section 42-64-13.

3 (f) To enter into agreements, including with any state agency, city, town, district or public
4 corporation, for the provision of police, security, fire, sanitation, health protection, and other
5 public services.

6 (g) To be exempt from taxation and to enter into agreements for payments in lieu of taxes
7 as provided for in section 42-64-20.

8 (h) To assume the position of the economic development corporation in agreements and
9 regulations affected by the transfer of functions provided for in this chapter.

10 **42-64.9-7. Directors, officers and employees. - -** (a) Directors. (1) The powers of the
11 corporation shall be vested in a board of directors consisting of eleven (11) members. The
12 membership of the board shall consist of the executive director of the Rhode Island economic
13 development corporation as chairperson, (who shall vote only in the event of a tie), six (6)
14 members appointed by the governor, with the advice and consent of the senate, two (2) members
15 appointed by the town council of the town of North Kingstown, one (1) member appointed by the
16 town council of the town of Jamestown, and one (1) member appointed by the town council of the
17 town of East Greenwich. The initial members of the board shall be divided into three (3) classes
18 and shall serve initial terms on the board of directors as follows: two (2) of the directors
19 appointed by the governor; one (1) of the directors appointed by the town council of the town of
20 North Kingstown shall be appointed for an initial term of one (1) year; two (2) of the directors
21 appointed by the governor, one (1) director appointed by the town council of the town of North
22 Kingstown and the director appointed by the town of East Greenwich shall be appointed for an
23 initial term of two (2) years; and two (2) of the directors appointed by the governor and one (1)
24 director appointed by the town of Jamestown shall be appointed for an initial term of three (3)
25 years. Upon expiration of each initial term and upon the expiration of each term thereafter, a
26 successor shall be appointed by the same authority that made the initial appointment, and in the
27 case of appointments by the governor with the advice and consent of the senate, to serve for a
28 term of three (3) years so that members of the board of directors shall serve for staggered terms of
29 three (3) years each. A vacancy on the board, other than by expiration, shall be filled in the same
30 manner as an original appointment, but only for the unexpired portion of the term. If a vacancy
31 occurs with respect to one of the directors appointed by the governor when the senate is not in
32 session, the governor shall appoint a person to fill the vacancy, but only until the senate shall next
33 convene and give its advice and consent to a new appointment. A member shall be eligible to
34 succeed him or herself. Appointed directors shall not serve more than two (2) successive three

1 (3) year terms but may be reappointed after not being a director for a period of at least twelve
2 (12) months. Each appointed director shall hold office for the term for which the director is
3 appointed and until the director's successor shall have been appointed and qualified, or until the
4 director's earlier death, resignation or removal. Except for members of the town council of the
5 town of North Kingstown, who may serve as members of the board of directors, no director shall
6 be an elected official of any governmental entity.

7 (2) The directors shall receive no compensation for the performance of their duties under
8 this chapter, but each director shall be reimbursed for his or her reasonable expenses incurred in
9 carrying out those duties. A director may engage in private employment, or in a profession or
10 business.

11 (3) Meetings. An annual meeting of the directors shall be held during the month of
12 October of each year for the purposes of electing and appointing officers and reviewing and
13 considering for approval the budget of the corporation. Regular meetings of the directors shall be
14 held at least once in each calendar quarter, at the call of the chairperson or secretary, or in
15 accordance with an annual schedule of meetings adopted by the board. Special meetings may be
16 called for any purposes by the chairperson or the secretary and as provided for in the bylaws of
17 the corporation.

18 (4) A majority of the directors then in office, but not less than five (5) directors, shall
19 constitute a quorum, and any action to be taken by the corporation under the provisions of this
20 chapter, may be authorized by resolution approved by a majority of the directors present and
21 entitled to a vote at any regular or special meeting at which a quorum is present. A vacancy in
22 the membership of the board of directors shall not impair the right of a quorum to exercise all of
23 the rights and perform all of the duties of the corporation.

24 (5) Any action taken by the corporation under the provisions of this chapter may be
25 authorized by a vote at any regular or special meeting, and each vote shall take effect
26 immediately.

27 (6) The board of directors shall establish an audit committee and a governance
28 committee, which shall advise: (i) the board with the respect to the best practices of governance;
29 and (ii) the board, members of the board, and officers with respect to conflicts of interest,
30 corporate ethics and responsibilities, and the maintenance of the public trust; the members of the
31 audit committee and the governance committee shall be appointed by the chairperson with the
32 advice of the board of directors. In addition to the audit and the governance committee, the board
33 may establish bylaw or with the approval of the chairperson such other committees as it deems
34 appropriate.

1 (7) The board shall prescribe the application of the cash flow of the corporation, in the
2 following order of priority:

3 (i) To debt service, including without limitation, sinking funds established in connection
4 with any financing;

5 (ii) To operating expenses;

6 (iii) To capital expenses;

7 (iv) To reserve funds as may be established by the board, from time to time; and

8 (v) To the economic development corporation for application to statewide economic
9 development.

10 (8) The board shall establish by bylaw limits on the expenditure of corporation funds
11 without approval of the board.

12 (9) The approval of the board shall be required for any recommendation to the economic
13 development corporation board of directors for the issuance of bonds or notes or borrowing
14 money on behalf of the corporation or for the exercise of eminent domain on behalf of the
15 corporation.

16 (b) Officers. The officers of the corporation shall include a chairperson, a managing
17 director who shall be the chief executive officer of the corporation, a vice-chairperson, a
18 secretary, and a finance director, as herein provided, and such other officers as the board may
19 from time to time establish.

20 (1) Chairperson. The executive director of the economic development corporation shall
21 be the chairperson of the board and shall appoint the managing director with the concurrence of
22 the board, appoint committee members, approve the corporation's annual operating and capital
23 budget, approve land sale prices, lease rents, and economic development incentives, and approve
24 numbers and types of employees and staff of the corporation, and preside at meetings of the
25 board.

26 (2) Managing director. The chief executive officer of the corporation shall be managing
27 director of the corporation, who shall be appointed by the chairperson with the concurrence of the
28 board. The managing director of the corporation shall be entitled to receive for his or her services
29 any reasonable compensation as the board of directors may determine. The board of directors
30 may vest in the managing director the authority to appoint staff members and to determine the
31 amount of compensation each individual shall receive.

32 (3) Vice-chairperson. The board of directors shall from among its members elect a vice-
33 chairperson who shall preside at meetings in the absence of the chairperson and have such other
34 duties and powers as the directors may from time to time prescribe.

1 (4) Other officers. The board shall appoint a secretary, a director of finance, the duties of
2 whom shall be prescribed in the bylaws of the corporation, and such additional officers and staff
3 members as they shall deem appropriate and shall determine the amount of reasonable
4 compensation, if any, each shall receive.

5 (5) With the exception of the chairperson, any number of offices may be held by the same
6 person, unless the bylaws provide otherwise.

7 (c) Employees. (1) The corporation may have such numbers and types of employees as
8 the board, with the approval of the chairperson, shall determine upon the recommendation of the
9 managing director. The board, upon the recommendation of the managing director, may
10 authorize entering into agreements with the economic development corporation for any duties or
11 functions to be performed by employees, staff, or agents of the corporation.

12 (2) No full-time employee of the corporation shall, during the period of his or her
13 employment by the corporation, engage in any other private employment, profession or business,
14 except with the approval of the board of directors.

15 (3) Employees of the corporation shall not, by reason of their employment, be deemed to
16 be employees of the state for any purpose, any other provision of the general laws to the contrary
17 notwithstanding, including, without limiting, the generality of the foregoing, chapters 29, 39, and
18 42 of title 28 and chapters 4, 8, 9, and 10 of title 36.

19 **42-64.9-8. Liability of the corporation. - -** The corporation is, subject to the period of
20 limitations set forth in section 9-1-25, liable in actions of tort only to the extent that those actions
21 do not arise from the performance of any functions found or deemed to be essential or
22 discretionary governmental functions. Any recovery in an action or any recovery by any person in
23 one or more of any actions against the corporation, its directors, employees, or agents, shall not
24 exceed one hundred thousand dollars (\$100,000) per plaintiff in the absence of fraud or willful
25 misconduct. In the absence of fraud or willful misconduct, the directors are not personally liable
26 to any party on account of any action (whether tort or otherwise) arising from or related to the
27 manner or terms of the disposition of the corporation's assets, nor shall the manner or terms of the
28 disposition constitute a defense to any obligation owed to the corporation.

29 **42-64.9-9. Reporting. - -** The corporation shall submit to the governor, the president of
30 the senate, the speaker of the house, and the chief elected official of the towns of North
31 Kingstown, East Greenwich, and Jamestown, and of any other town or city in which the
32 corporations owns or manages real property, within six (6) months after the close of its fiscal
33 year, a complete and detailed report setting forth: (a) its operations and accomplishments; (b) its
34 receipts and expenditures during the fiscal year in accordance with the categories and

1 classifications established by the corporation for its operating and capital outlay purposes
2 including a listing of all private consultants engaged by the corporation on a contract basis and a
3 statement of the total amount paid to each private consultant; (c) its assets and liabilities at the
4 end of its fiscal year including a schedule of its leases and mortgages and the status of the reserve,
5 special or other funds; and (d) its strategic plan and operating plan for the current fiscal year and
6 proposed for the next fiscal year; and (e) a general statement of needs and opportunities relevant
7 to its purposes. The reports required by subsections (b) and (c) of this section shall be prepared
8 by independent certified public accountants in accordance with generally accepted principles of
9 accounting.

10 **42-64.9-10. Compliance.** - - The corporations shall comply with all applicable
11 provisions of law, including, but not limited to:

12 (a) Ethics, chapter 36-14;

13 (b) Opening meetings, chapter 42-46;

14 (c) Public records, chapter 38-2;

15 (d) Administrative procedures, chapter 42-35; and

16 (e) Governance and financial management of quasi-public corporations, as provided in
17 chapter 35-18 with regard to obligations, financing leases, and guarantees and chapter 37-2 with
18 regard to purchasing principles, policies, and practices, and by sections 35-3-17.1, 35-6-37, 35-7-
19 13, 35-7-14, 35-20-6, 35-20-9, 42-11.3-2 in accordance with sections 31-3-11 and 42-11.3-4(A).

20 **42-64.9-11. Consistency with other statutes.** - - (a) The Rhode Island economic
21 development corporation act. Except as otherwise expressly provided by this chapter, the
22 corporation shall have the powers necessary to accomplish the purposes set forth in chapter 42-64
23 and shall in the exercise of those powers conform with the obligations and requirements of
24 chapter 42-64, and unless this chapter provides or the context indicates otherwise, the provisions
25 of this chapter shall be considered in a manner consistent with the provisions of chapter 42-64.
26 The corporation shall be, in the manner set forth this chapter, a subsidiary of the economic
27 development corporation notwithstanding the requirements of section 42-64-7.1, and this chapter
28 shall be deemed fully satisfactory for purposes of section 42-64-7.1 as necessary to effectuate the
29 provisions of this chapter.

30 (b) Other state laws. Nothing contained in this chapter shall restrict or limit the powers of
31 the corporation arising under any laws of this state except where those powers are expressly
32 contrary to the provisions of this chapter; provided, however, that the corporation shall not have
33 any power to create, empower, or otherwise establish any corporation, subsidiary corporation,
34 corporate body, any form of partnership, or any other separate entity, without the express

1 approval and authorization of the general assembly. Except as otherwise provided, this chapter
2 shall be construed to provide a complete additional and alternative method for doing the things
3 authorized hereby and shall be regarded as supplemental and in addition to the powers conferred
4 by other laws.

5 **42-64.9-12. Inconsistent provisions.** - - Insofar as the provisions of this chapter are
6 inconsistent with the provisions of any other law or ordinance, general, special or local, the
7 provisions of this chapter shall be controlling.

8 **42-64.9-13. Construction – Liberal construction.** - - This chapter, being necessary for
9 the welfare of the state and its inhabitants, shall be liberally construed so as to effectuate its
10 purposes.

11 **42-64.9-14. Severability.** - - If any clause, sentence, paragraph, section, or part of this
12 chapter shall be adjudged by any court of competent jurisdiction to be invalid, that judgment shall
13 not affect, impair, or invalidate the remainder of the chapter but shall be confined in its operation
14 to the clause, sentence, paragraph, section, or part directly involved in the controversy in which
15 that judgment shall have been rendered.

16 **42-64.9-15. Dissolution of the Quonset/Davisville Management Corporation.** - - The
17 enactment of this chapter shall constitute the approval and authorization of the general assembly
18 to dissolve the Quonset/Davisville Management Corporation, which is a subsidiary of the
19 economic development corporation, and the functions of the Quonset Davisville Management
20 Corporation are hereby transferred to the corporation, effective December 31, 2004.

21 SECTION 4. Sections 1 and 2 of this act shall take effect on December 31, 2004, and
22 Section 3 of this act shall take effect on July 1, 2004.

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LC03183/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
A N A C T
RELATING TO STATE AFFAIRS AND GOVERNMENT - ECONOMIC DEVELOPMENT
CORPORATION

1 This act would establish the Quonset Development Corporation for the purpose of
2 providing and promoting the preservation, expansion and development of new and existing
3 industry and business.

4 Sections 1 and 2 of this act would take effect on December 31, 2004, and Section 3 of
5 this act would take effect on July 1, 2004.

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LC03183/SUB A
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