

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JUNE 8, 2010

The meeting of the State Properties Committee was called to order at 10:05 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Lisa Primiano, John Faltus, Terri Bisson, Mary E. Kay, Sara Moore, Gary Powers and Cynthia Gianfrancesco from the Rhode Island Department of Environmental Management; Deborah White, Jacqueline Kelley, Kim Rauch and Michael D. Mitchell from the Rhode Island Department of Administration; Robert B. Jackson, Bruce Cadden and Leroy Archibald from the Rhode Island Department of Transportation; Linda Nardoza and Rick Esposito from the Department of Mental Health, Retardation and Hospitals; J. Vernon Wyman from the University of Rhode Island; Will Riverso from the Rhode Island Water Resources Board; Robin Schutt from the City of Cranston; Robert Moitozo from Pare Corporation; Brewer Rowe and John White from Eident Sports Marketing; Robert D. Murray from the law offices of Taft & McSally LLP; and Jeffrey Saletin from CFS Partners, LP and Geoffrey Marchant for the Community Development Consortium.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

Item A – Department of Mental Health, Retardation and Hospitals – A request was made for authorization to advertise a Request for Proposals seeking space for a new regional center in the Town of Exeter. Mr. Ryan stated that the Department currently operates two day programs; one from a State-owned facility located in Hopkinton and the other located in a leased facility on Ten Rod Road in the Town of North Kingstown. Mr. Ryan stated that via the issuance of a Request for Proposals (“RFP”) the Department is seeking to achieve its goal to consolidate space and secure a centralized location for the regional operation of the existing day programs. Mr. Ryan explained that when the Department vacates the State-owned facility, it will be disposed as surplus property and the proceeds of the sale will be allocated to the General Fund. Ms. Nardoza stated that the need to consolidate these day programs is the result of a reduction in staff; presently there are only two staff members in North Kingstown and four staff members in Hopkinton. The Department is searching for a centralized location to accommodate the individuals who attend the day program. Ms. Nardoza indicated that the Town of Exeter would be an ideal location for the new facility. Chairman Flynn noted that there is not an abundance of commercial property space located in the Department’s target area. Mr. Kay asked what the Department’s projected savings are as a result of consolidating the two day programs into one location. Mr. Ryan explained that initially the Department will save on payments of rent because it will actually be leasing less square footage. Mr. Ryan reiterated that once the State-owned facility is vacated it can be sold as surplus property and all the proceeds from said sale will be allocated to the General Fund. Mr. Ryan noted that the Department’s budget is not sufficient to continue to maintain the Hopkinton property. Mr. Esposito indicated that the Department is seeking to lease one

half of the space currently being utilized for the operation of these day programs. Mr. Griffith asked how many clients will attend the new facility. Ms. Nardoza stated that the new facility will serve approximately thirty (30) clients. Mr. Griffith asked if the Department anticipates any increase in the number of clients attending the day program. Ms. Nardoza indicated that the limited number of employees dictates the number of clients served and as the Department does not foresee an increase in staff, it is not concerned about an increased number of clients. Mr. Griffith asked if the new facility provides a margin for potential expansion if necessary. Ms. Nardoza indicated that the Department does not expect that the day program will outgrow its new facility within the next five years. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Item B – Department of Administration – A request was made for approval of and signatures on a License Agreement with Eident Sports Marketing to allow the organization to utilize the State House Grounds and Station Park from July 7, 2010, through July 12, 2010, for the 2010 Amica Ironman 70.3 Rhode Island Triathlon. Ms. White stated that this is the third consecutive year Eident Sports has sought approval to utilize the State House Grounds and Station Park for this event. Ms. White indicated that there have been no problems associated with this event in the past. Chairman Flynn stated that it is his understanding that there is a plan to replace the marble at the front of the State House and asked if there is any concern that this event will conflict with the project's construction schedule. Ms. White indicated that Eident Sports has submitted two proposals relative to this event; one addresses any concerns in the event the

replacement of the marble is not complete by the date of the event, and the other provides for its intended use in the event the construction is completed. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Item C – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement with Eident Sports Marketing to allow the organization to utilize a portion of the parking lot and beach at Roger Wheeler State Beach from Friday, July 9, 2010, through Sunday, July 11, 2010, for the 2010 Amica Ironman 70.3 Rhode Island Triathlon. Mr. Faltus explained that under the terms and conditions of the License Agreement Eident Sports is allowed to occupy the above-referenced property on July 9th and 10th, 2010, for purposes of setting up the necessary facilities. Mr. Faltus indicated that a licensing fee in the amount of \$4,830 has been assessed for Eident Sports Marketing’s use of parking spaces. Mr. Faltus informed the Committee that the property must be vacated by 10:00 a.m. on July 11, 2010, after the completion of the swimming portion of the event. Mr. Faltus noted that the Agreement contains a penalty clause in the event the property has not been vacated by that time. Mr. Faltus stated that there have been no complaints relative to Eident Sports Marketing’s use of the property and in fact, the Department has received favorable comments from the seasonal residents indicating that they enjoy the event. Mr. Faltus stated that there has been no negative impact on the beach as a result of this event. Mr. Faltus indicated that Eident Sports Marketing has satisfied the State of Rhode Island’s insurance requirements inclusive of product liability coverage. The Department requires that Eident Sports submit a letter of approval from the Town of Narragansett to the Department prior to the

date of the event. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item D – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with Angela Spadoni relative to property located at 84 Poppasquash Road in the Town of Bristol. Ms. Bisson stated that as the Committee is aware, most of the major State parks include a caretakers' residence which is located on the property to allow the Department to oversee and monitor activities in recreational areas of the parks during the off seasons and at other times when Department staff is not present. The Department has developed a policy which governs said dwellings and their residents, as well as establishing rent and deductions based upon the amount of surveillance, oversight and other duties the caretakers are required to perform. Ms. Bisson noted that the Tenant, Angela Spadoni, is a semi-skilled laborer at Colt State Park. Ms. Spadoni has been employed by the Department since 2005. Ms. Bisson noted that under the terms of the Indenture of Lease, Ms. Spadoni will lease the property for a period of three (3) years from June 1, 2010, through May 31, 2013. The annual rental fee has been assessed at \$7,511.40 and will be paid via bi-weekly payroll deductions. The Department requires Ms. Spadoni to carry \$300,000 worth of general liability insurance coverage on the property. Ms. Spadoni has a number of responsibilities associated with the care of the property including providing information to the public as well as caring for the dwelling grounds and gardens. During the off season, Ms. Spadoni is responsible for opening and closing the park's public restroom facilities. Mr. Griffith asked what sort of arrangement is in place to secure the property

and ensure the caretaker's duties are completed during a vacation or anytime the lessee intends to be away from the property for an extended period of time. Mr. Wright stated that the caretaker is required to provide the Department with advanced notice concerning any planned discharge of time. The parks' caretakers are discouraged from taking vacation time during the summer season and have complied with this request in the past. Ms. Bisson clarified that the Indenture of Lease requires that the caretakers notify the park management any time they intend to be away from the property for more than a twenty four (24) hour period. The park managers then make arrangements for extra patrols to monitor the grounds as well as to ensure that there is no disruption in the care of the park. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item E – Department of Environmental Management – A request was made for approval of and signatures on a Deed to Development Rights and Conservation Easement over approximately 126 acres of farm land known as Ferolbink Farms located along Fogland Road in the Town of Tiverton. Ms. Primiano stated that this project was previously before the Committee in January 2010. Ms. Primiano stated that the subject property is one of the State's most significant and productive unprotected farms and has been producing potatoes, corn, squash and Christmas trees since 1944. The Department has been working with Mr. Peckham, who has been the President of Ferolbink Farms for approximately fifteen (15) years. Ms. Primiano noted that the total purchase price is 3,815,000. Ms. Primiano noted that the funding sources for this acquisition are as follows: the USDA Farm and Ranch Land Protection Program is contributing

\$1,920,000; The Nature Conservancy through a Champlin Foundation Grant and several private land-owners are contributing \$788,500; the remaining funds will come from a State bond issue; a combination of the State Open Space Funds and the Agricultural Preservation Fund. Ms. Primiano stated that the title and survey work has been completed and the Department is hoping to schedule a closing on or before June 30, 2010. Chairman Flynn noted that the subject property is certainly a very significant acquisition, and again, commended Mr. Primiano for her efforts relative to this project and myriad others. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Item F – Department of Environmental Management – A request was made for approval of and signatures on a Settlement Agreement and First Amendment to Indenture of Lease with Deep Sea Holdings, Inc. for Lot 230A in the Port of Galilee. Ms. Kay explained that during the process of the lawsuit, the Department learned that the Lessee, Deep Sea Holdings, Inc., under the Lease Agreement granted in September of 1995, was actually doing business as Deep Sea Fishing of Rhode Island. Ms. Kay indicated that both Deep Sea Holdings, Inc. and Deep Sea Fishing of Rhode Island are Rhode Island corporations, in good standing and have been filing the required annual reports. Ms. Kay stated that prior to settling the lawsuit, the Department insisted that Deep Sea Fishing of Rhode Island be named as a party to the Lease and thereby be obligated and liable under its terms and conditions. Ms. Kay explained that the First Amendment of the Indenture of Lease ensures that both parties are equally responsible and jointly and severally liable to the State of Rhode Island. Ms. Kay stated that in accordance with the terms of said

settlement, the State of Rhode Island has agreed to forego payments of rental fees for a specific period of time in lieu of paying a lump sum judgment to the opposing parties.

Ms. Kay stated that there were also additional contributions made by other parties to the lawsuit. Ms. Kay explained that the lawsuit involves the rebuilding of a bulkhead in the Port of Galilee. Ms. Kay stated that due to the presence and moving of heavy equipment through the bulkhead as well as construction work involving the use of jackhammers in the area, a series of cracks developed in the foundation of a simple building abutting the bulkhead, which houses commercial business. Ms. Kay stated that Eric Reed, who operates that business and has been a long standing tenant in the Port of Galilee filed suit against the Department in 2003. Ms. Kay indicated that after proceeding through the legal system, a settlement of the suit was finally reached in January of 2010. Again, as part of the settlement, the State of Rhode Island agreed to forego payments of rental fees for a period of eighteen (18) months. Chairman Flynn asked if the Department sought any type of recourse against the contractor that performed the work, which caused the damage to the building. Mr. Powell explained that the contractor was in fact named as a defendant in the lawsuit and did contribute to the settlement of the matter. Chairman Flynn clarified that the State's only exposure is the forgoing of rental payments for a period of eighteen (18) months. Ms. Kay stated that is correct. Chairman Flynn asked if the terms and conditions of the settlement have been entered as a court order. Ms. Kay said that the terms of the settlement are part of a court order. Mr. Powell clarified that the settlement is actually stipulated and will not be entered as a court order until such time as the State Properties Committee grants approval of the same. A motion to approve was

made by Mr. Woolley subject to the documents being corrected in accordance with the requests of the Department of Attorney General. Said motion was seconded by Mr. Kay.

Passed Unanimously

Item G – Department of Transportation – A request was made for approval of and signatures on a Letter of Authorization to allow the City of East Providence to utilize portions of the State-owned right-of-way along the East Bay Bicycle Path and Veterans Memorial Parkway. Mr. Jackson presented a site map of the subject property for the Committee’s review. Ms. Jackson stated that the Letter of Authorization will allow the City of East Providence to utilize portions of the subject property for a period of three (3) weeks for the sole purpose of performing subsurface explorations in preparation of installing a new wastewater force main. Mr. Moitozo explained that the City of East Providence is presently conducting a feasibility analysis to determine the most suitable site to effectuate an upgrade of its sewer treatment facility and the main serving said facility. The City needs to perform borings in order to determine what is beneath the bike path in terms of rock, contamination and other complications that may affect the project. Chairman Flynn asked what is motivating the upgrade. Mr. Moitozo indicated that the State of Rhode Island is requiring the City of East Providence to upgrade its sewer treatment facility and the main serving said facility. Mr. Moitozo indicated that there are two (2) alternative locations at which to effectuate the upgrade. The most direct route and the least disruptive to traffic is the bike path and if the bike path proves to be a viable site, the City would save a considerable amount of money. The ability to effectuate the required upgrades via the bike path would also benefit the community, as the alternative site would require construction work on both Veterans Parkway and Pawtucket Avenue,

which would certainly have an adverse impact on traffic conditions and flow for a significant period of time. Chairman Flynn asked if the borings are done directly through the asphalt or adjacent to the asphalt. Mr. Moitozo stated that the borings are done directly through the asphalt. Chairman Flynn assumes that the City will have to consult with the Department of Environmental Management relative to the scheduling of said borings as the Bristol Bike Path is such a heavily used recreational facility. Mr. Moitozo stated that the City intends to schedule construction during the late fall, winter and early spring to limit any disruption of the public's use of the bike path. Mr. Moitozo stated that the project will require the City to construct a new bike path. A motion was made for approval by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item H – Department of Transportation – A request was made for conceptual approval to transfer 5.2 acres land known as Brenton Point State Park located along Old Point Judith Road (Route 108) in the Town of Narragansett from the Department of Transportation to the Department of Environmental Management. Mr. Archibald explained that the Department received a letter from Lisa Primiano of the Department of Environmental Management concerning a project at Brenton Point State Park. Brenton Point State Park consists of 5.2 acres of land which includes picnic tables and fireplaces. Mr. Archibald explained that the Department of Transportation has a drainage system which is hooked up to this particular property. The Department has no objection to transferring the subject property to Department of Environmental Management; however, the Department of Transportation will require that it be allowed to access said property in the event of an overflow of water or other issues. Chairman Flynn asked if vehicle

parking is available. Mr. Archibald indicated that there is a parking lot adjacent to the subject property. Chairman Flynn asked if this will be a gratis transfer. Mr. Archibald noted that it will be a gratis transfer. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Item I – Department of Transportation – A request was made for approval to sell a 10,500 square foot parcel of land located southerly of Railroad Street in Shannock Village in the Town of Richmond to the Town of Richmond. A map of the subject property was presented for the Committee’s review. Mr. Archibald explained that the Department received a request from the Town of Richmond to purchase said property for purposes of developing the site as a historic interpretive park to include canoe launches and fishing access to the Pawcatuck River. Mr. Archibald indicated that the property is located on Railroad Street in the Historic District of the Town of Richmond. Mr. Archibald explained that in 1834 a mill was built on the subject property, but was demolished by fire in 1899. There is still evidence of the brick structure around the perimeter of the property. Mr. Archibald also noted that there are other historical artifacts on the property. The Department of Environmental Management will require the Town to relocate an existing an Indian monument to a site approximately fifteen (15) feet from its current location; the Town has agreed to the same. Mr. Archibald stated that the subject property and the abutting property, owned by the Town of Richmond, have been assigned a Brownsfield status and the Environmental Protection Agency has granted the Town of Richmond funds for the remediation of the site provided it can acquire the land from the State Rhode Island to develop it as a historical park. Mr. Archibald stated that

the Town of Richmond will be responsible for preparing any and all documents for the conveyance of the subject property. Chairman Flynn asked if the subject property has been appraised. Mr. Archibald stated that an appraisal of the property is presently being conducted. Mr. Kay asked if there is any pending litigation associated with the property. Mr. Marchant state that there is no pending litigation involving the subject property. Chairman Flynn asked if the property receives unauthorized public use. Ms. Gianfrancesco stated that there is unauthorized use of the property and indicated that it will be beneficial and safer if the Town created authorized public use and access together with formal canoe launches rather than the current ad hoc conditions. A motion was made to grant conceptual approval by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

Item J – Department of Transportation – A request was made for final approval to sell 12,450± square feet of land located at Sockanosset Cross Road in the City of Cranston to CFS Partners, LP. Mr. Cadden stated that the actual square footage of land being conveyed has been reduced to 9,429± square feet. Mr. Cadden noted that said modification is reflected on the plans, in the Deed and in the description attached to the Purchase and Sale Agreement. Chairman Flynn asked if the land’s value was determined via an in-house appraisal. Mr. Cadden stated that an in-house appraisal had been conducted to establish the properties fair market value. Mr. Cadden stated that the parcel was acquired by the Department of Transportation in 1997 from Providence & Worcester Railroad and they are retaining all rights above, under and around the subject property. Mr. Cadden stated that the City of Cranston will also retain an easement for purposes of maintaining the aforementioned drainage system. Mr. Murray explained that CFS

Partnership, LP is acquiring this small portion of the parcel for surface rights only to provide additional vehicle parking. Mr. Murray stated that CFS Partners, LP owns the abutting properties on both sides of the subject property. Mr. Murray stated that the conveyance of said property is subject to all the easements of record. Mr. Murray concurred that a State drainage system runs through the parcel of land and is maintained by the City of Cranston. However, he does not believe that any part of the drainage structure is located beneath the portion of the parcel, which is being proposed for conveyance to CFS Partnership, LP. Mr. Murray assured the Committee that CFS Partners, LP would certainly not do anything that would, in any way, interfere with said drainage structure or the City's maintenance easement. Mr. Woolley recalled that back in April of 2008, the issue of an existing encroachment arose as well as whether the State of Rhode Island was owed compensation in the form of retroactive payments of rent due to the fact that CFS Partnership, LP had already paved over the subject property without authorization from the State and was utilizing said land it for vehicle parking. Mr. Cadden stated that the Department of Transportation did in fact investigate the encroachment and determined that the State was owed retroactive payment of rent in the amount of \$7,800. Mr. Murray stated that CFS Partnership, LP agreed to the amount proposed and will compensate the State of Rhode Island at the closing of the property. Chairman Flynn asked if the retroactive compensation is included in the purchase price of \$566,003. Mr. Cadden noted that it is not included in the purchase price. Mr. Woolley asked if there were any members of the partnership that were not listed on the Certificate of Disclosure. Mr. Saletin stated that he owns one (1%) percent of the stock in CFS Partnership, LP and the other ninety-nine (99%) percent is owned by a group of limited

partners and there is a list of approximately fourteen (14) investor partners in this transaction. Mr. Woolley explained that typically the Certificate of Disclosure should disclose the names and addresses of those individuals. Mr. Murray assured the Committee that he will submit a corrected Certificate of Disclosure list the names and addresses of all members of the partnership. A motion to approve was made by Mr. Woolley subject to a full disclosure of all members of the partnership and subject to the payment of \$7,800 as compensation to the State of Rhode Island for the unauthorized paving and use of State-owned land. Said motion was seconded by Mr. Kay.

Passed Unanimously

Item K – Department of Transportation – A request was made for final approval to sell 6,577± square feet of land located adjacent to Providence Street in the Town of West Warwick to MGMD Realty Group, LLC. Mr. Cadden indicated that MGMD Realty Group, LLC wishes to purchase the property for green space only; there will be no building on the property. The Department of Transportation will retain a permanent maintenance easement over the parcel. Chairman Flynn asked clarified that the property would not even be paved. Mr. Cadden stated that the buyer intends to clear the property and plant grass. Chairman Flynn asked what the purchase price of the property is. Mr. Cadden indicated that the an in-house appraisal of the property established a value of \$11,850. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item L – Board of Governors for Higher Education/University of Rhode Island –
A request was made for approval of and signatures on a Utility Easement for electrical connection to property located at 5 Fraternity Circle in South Kingstown. Mr. Wyman explained that this property was previous brought to the Committee by Mr. Louis Saccoccio. It involves a fraternity house that had been vacant for several years and was sold to the Hillel Foundation. The Hillel Foundation is renovating the building for occupancy by said organization. Mr. Wyman indicated that this request involves an upgrade to the electrical service. Mr. Wyman explained that in the Fraternity Circle area, the electrical service is owned by National Grid and they require an easement for purposes of making connections to this new improved project. The easement is in standard form with regard to utility access. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item M – Board of Governors for Higher Education/University of Rhode Island –
A request was made for approval of and signatures on a Utility Easement for electrical connection to property located at 14 East Farm Road in South Kingstown. Mr. Wyman noted that this request involves the laboratory that serves the University’s Freshwater Agricultural Program. The University is making a modification to said building, which will provide filtration and re-circulation of water for freshwater fish species. Mr. Wyman stated that this is an environmentally beneficially project. The electrical system will also be upgrading requiring easements by both Verizon and National Grid. A motion was made for approval by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Item N – Board of Governors for Higher Education/University of Rhode Island –

A request was made for permission to demolish buildings in conjunction with the development of the Hillside Residence Hall Project. Mr. Wyman stated that two weeks ago the University received bond proceeds totaling approximately \$43 million dollars toward the construction of a new Residence Hall to serve the University's undergraduate student population. The new Residence Hall will be located at the site of the existing Terrace Apartments. Mr. Wyman stated that the buildings were constructed in the late 1950s and provided occupancy for approximately forty (40) individuals. The new Residence Hall will accommodate approximately 429 beds for students. Mr. Wyman indicated that the site is ideal because it is very proximal to the academic facilities, the student union and the library. The Board of Governors and the University of Rhode Island is requesting authorization to remove the Terrace Apartment buildings. The University consulted with the Rhode Island Historic Preservation and Heritage Commission to notify it of the University's intent to remove the buildings and construct a new Residence Hall. Mr. Wyman noted that they Commission has not made any objection to the University's plan. Mr. Wyman explained that there is another building, which is indirectly related to the project and the University is reconfiguring the roadways in this vicinity to align a new road with Campus Avenue which will connect Fraternity Circle to the interior of the Campus. This reconfiguration will bypass and provide service to the new Residence Hall while allowing the University to remove the curb cut which now exits Fraternity Circle out onto Route 138. Mr. Wyman noted that this is actually a safety improvement and pleases the Department of Transportation. Said project also requires the removal of the Weldon House, which is a single family home

that was donated to the University by the former Registrar at the time of his retirement in 1957. Chairman Flynn asked if there would be any reason to relocate the structure rather than removing it. Mr. Wyman stated that the Weldon House is a very modest property containing only three (3) bedrooms; the University does not believe the structure has any reuse potential. Its current occupants will be relocating to the pharmacy building, which is presently under construction as well. Chairman Flynn asked if the new dorms would be constructed in the apartment style. Mr. Wyman indicated that the University of seeking to increase the freshmen sophomore population's utilization of housing and interestingly enough, those students continue to want to have a greater exposure to their fellow residents. Therefore, the housing will be more densely occupied with semi private baths, which is very well received by the students who have actually been part of the design process. Mr. Wyman noted that this will allow the University to utilize some of its other housing to attract the junior and senior population as well as those students typically want on-campus housing, particularly transfer students that come to the campus mid-year. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Item O – Department of Administration – A request was made for conceptual approval of a Purchase and Sale Contract by and between the Department of Administration and Rhode Island Housing for the sale of property located at 87 Power Road and Rossi Circle a/k/a Sockanosset Cross Road in the City of Cranston. Mr. Mitchell explained that this request involves the former training school property on Power Road in the City of Cranston. Mr. Mitchell stated that the Department of Children, Youth and Families (“DCYF”) was before the Committee in September of

2009, and was granted conceptual approval to issue a Request for Proposals for sale to the public. Since that time, Mr. Mitchell noted that the circumstances of the property have significantly changed. Mr. Mitchell explained that the Department of Transportation used its domain powers to condemn Power Road and make it a public roadway; it had been a limited service road to the main campus at the Pastore Complex. Mr. Mitchell stated that DCYF also applied for and received an administrative subdivision of the entire parcel. The Department of Administration is now seeking conceptual approval to sell the subject property to Rhode Island Housing. Mr. Mitchell indicated that an appraisal commissioned by the State of Rhode Island valued the property at approximately \$5.2 million dollars. Mr. Mitchell noted that Rhode Island Housing is conducting its own appraisal, but the results of that appraisal are not yet known. Chairman Flynn stated that it is his understanding that this property is a revenue item in the current fiscal year budget and the intent is to close on the property prior to the end of the fiscal year. Mr. Mitchell indicated that is correct. Mr. Mitchell noted that another change in the circumstances of the property is that back in November 2009, it was owned by the Rhode Island Refunding Bond Authority. Since that time, the bonds have been satisfied and title to the property has been transferred back to the State of Rhode Island. Mr. Woolley asked if anything had been heard from the abutting property owners, who at one time were threatening litigation. Mr. Mitchell indicated that the Departments have not received any word from the abutting property owners or anyone at all for that matter. Mr. Woolley asked if the reconfiguration of the road resolved the easement issues. Mr. Mitchell stated that he believes the road configuration did resolve the easement issues and stated that the abutting property-owner in fact have more access

now. Chairman Flynn stated that he is not aware of an appeal being filed relative to the administrative subdivision. Mr. Mitchell indicated that the Purchase and Sale Contract as well as the Deed would have to come back to the Committee for its approval. Chairman Flynn noted that the condemnation of the road was a critical aspect of the former Training School property because it provides road frontage, which it did not previously have. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:07 a.m. The motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary
State Properties Committee

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MAY 25, 2010

The meeting of the State Properties Committee was called to order at 10:09 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Paul Forte from Rhode Island College; William Ferland from Community College of Rhode Island; Louis Saccoccio from the University of Rhode Island; Hope Schachter from the Rhode Island Board of Governors for Higher Education; Eileen Botelho and Joseph da Silva from the Rhode Island Department of Education; Brian Peterson from the Rhode Island Department of Children, Youth and Families; Lisa Primiano from the Rhode Island Department of Environmental Management; Frank DiBiase from the Rhode Island Department of Human Services; Colleen Kerr and Christine Brien from the Rhode Island Department of Transportation; Jacqueline Kelly from the Rhode Island Department of Administration; Robin Schutt from the City of Cranston;

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meetings of March 30, 2010, by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM A – Department of Transportation – A request was made for conceptual approval to depose of approximately 6,950 square feet of land comprised of three (3) parcels located adjacent to 1988 Louisquisset Pike in the Town of Lincoln. Ms. Brien explained that Century Associates, Inc. approached the Department requesting to purchase a total of approximately 6,950 square feet of State-owned property comprised of three (3) parcels located adjacent to 1988 Louisquisset Pike in the Town of Lincoln for purposes of constructing a small retaining wall, expanding its existing parking lot and to possibly, in the future, utilize the largest of the parcels to expand or rebuild the existing building. Ms. Brien indicated that on October 16, 2010, the Department’s Land Sale Committee approved Century Associates’ request to purchase the subject property. The Department is before the State Properties Committee seeking conceptual approval to proceed with the sale of the property. Ms. Brien stated that an in-house appraisal of the property has been completed and the applicant has agreed to the purchase price. Ms. Brien indicated that the Department’s Real Estate Division previously received approval to sell the property from the Department’s Division of Engineering, but required that the Deed include a restriction to protect the existing catch basin and drainage facility and a provision stipulating that the Department shall retain the right to maintain the same in perpetuity. Mr. Kay asked if the Town of Lincoln has been apprised of the Department’s intent to sell the subject property. Chairman Flynn clarified that Louisquisset Pike is a State highway. Mr. Kay requested that the Town of Lincoln be advised of the subject transaction. Ms. Brien assured Mr. Kay that she would see to it that the Town of Lincoln is notified of the Department’s intention to sell the property. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Three (3) Votes “Aye”

Mr. Griffith
Mr. Woolley
Chairman Flynn

One (1) Vote “Nay”

Mr. Kay

ITEM B – Department of Transportation – A request for approval of and signatures on an Amended Purchase & Sale Agreement by and between the Department of Transportation and Warwick Hotel Associates, IV, LLC (a Carpionato corporation) for the sale of 5.58 acres of land and a 33,000 square foot uneconomic contiguous parcel of land located at the intersection of Routes 5 and 113 in the City of Warwick. *Item B is deferred to a future meeting of the State Properties Committee at the request of the Department of Transportation.*

ITEM C – Department of Transportation – A request for approval of and signatures on two (2) Temporary Use Agreements by and between the Department of Transportation *and* (1) Ronald W. Stevens *and* (2) Saint Bernard Roman Catholic Church for use of property located at 455 Tower Hill Road and 415 Tower Hill Road in the Town of North Kingstown; respectively. Ms. Kerr stated that the Temporary Use Agreements with Saint Bernard Roman Catholic Church is for the removal and disposal of an existing current drainage inlet. Ms. Kerr explained that the once the Department removes the drainage inlet, the disturbed area will then be re-graded and spread with loam and grass. Ms. Kerr stated that the Pastor of the Saint Bernard Roman Church has agreed to the terms and conditions of the Temporary Use Agreement. The other Temporary Use Agreement is with two (2) private property owners under the same Statewide Salt Storage

Facility Contract. Ms. Kerr explained that during a previous wetland's restoration project in the area, some items were dumped on private property and the Temporary Use Agreement will allow the Department to access said private property to clean up anything previously left behind. Ms. Kerr stated that property owners has granted the Department permission to access the property and executed the Temporary Use Agreement. Ms. Kerr noted that no monetary compensation is associated with either of the Temporary Use Agreements. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Education – A request for approval of and signatures on a Purchase and Sale Agreement by and between the Newport Housing Authority and the Department of Education for the acquisition of 1.45 acres of land located at One York Street in the City Newport for the expansion of the Paul W. Crowley Metropolitan Regional Career and Technical Center (MET). Mr. da Silva indicated that the subject property consists of approximately an acre and a half of land, which is being purchased in order to expand the existing East Bay Met School facility. The State Properties Committee granted conceptual approval to purchase the subject property on March 17, 2009. Mr. da Silva indicated that the East Bay Met School has been in operation for approximately ten (10) years and the student population has steadily increased each year. Mr. da Silva explained that that the students come from what is perhaps considered the poorest community in the State of Rhode Island. These students have previously scored extremely low in terms Statewide Testing in traditional public school settings; however; the East Bay Met School has a ninety five (95%) percent college placement rate. Mr. da

Silva indicated that the East Bay Met School is doing tremendous work with its students. The Met School, its students and faculty have generated a sense of excitement, which has created a great deal of community involvement. Mr. da Silva stated that the Department has conducted a feasibility study to explore the possibility of re-locate the facility to an alternative site; however, the study concluded that this location is not only the most cost effective, but the most effective in terms providing educational services to a community most in need of the same. Mr. Kay as if the student population is derived from local students or students who reside in other municipalities. Mr. da Silva stated that the majority of the students reside in the Newport Housing Authority housing located directly behind the school; however, there are students who commute from Tiverton, Portsmouth and Middletown as the facility is a regional center. Mr. Griffith asked how the students that attend the MET are selected. Mr. da Silva indicated that the students are selected via an application process. Mr. da Silva noted that as the ninety (90) available seats are already filled, the school is very much looking forward to this expansion and the creation of an additional thirty (30) available seats. Mr. da Silva noted that the application process includes an interview of the applicants, which allows both the school and potential students to better determine whether the MET School is the most appropriate environment for that student. Chairman Flynn asked Mr. da Silva to explain the relationship between the bond funds and the State's desire to acquire this site as opposed to leasing it. Ms. Kelly indicated that during the initial stage of this project, there were discussions regarding the State leasing the subject property as opposed to purchasing it; however, the consensus was that it would not be financially prudent to invest funds to improve leased property. It was decided that if the State was going to expand the existing

MET School facility, it would be far more sensible to make an investment for the acquisition of the existing building together with the 1.45 acre parcel and build on State-owned land rather than to invest in property owned by someone other than the State. Mr. da Silva indicated that the capital budget has allocated \$8.8 million dollars for the project; however, at this time the project is not even close to exhausting said allocation. Chairman Flynn asked how large the addition will be. Mr. da Silva stated that the addition will comprise approximately 20,000 square feet. Mr. da Silva stated that the project has been approved by the Board of Regents. Mr. Kay asked if any federal funds will be used to fund this project. Mr. da Silva indicated that there is no federal funding associated with the project. Mr. Woolley asked that Mr. da Silva explained how the purchase price was determined and how the remediation cost associated with said project figured into the purchase price. Mr. da Silva stated that the remediation issues involve the naturally occurring levels of arsenic found throughout Aquidneck Island. The existing levels of arsenic on the Island are in excess of the standards acceptable by the State of Rhode Island Department of Environmental Management. Ms. da Silva stated that a Phase II investigation has not been completed relative to the subject property; however, the Department expects that as the adjacent property was found to contain unacceptable levels of natural arsenic that this site will contain naturally occurring arsenic as well. Mr. da Silva indicated that after a review of the feasibility study, the architects and engineers determined that the cost to remediate the potential contamination would be approximately \$220,000. The Department conducted an independent appraisal of the property, which established a value of approximately \$630,000. Therefore, the Department engaged in negotiations with the City of Newport Housing Authority relative

to reducing the purchase price of the property to off set the remediation costs and the Authority agreed to sell the site “as is” for a purchase price of \$415,000. In addition, the Purchase and Sale Agreement includes a provision, which holds the Newport Housing Authority liable for additional remediation costs up to \$220,000. Mr. da Silva stated that the Department has also discussed this project with representatives of the Department of Environmental Management, who indicate that given their knowledge of the surrounding properties, they anticipate that much of the existing soil will not need to be removed from the site. Much of the soil can be retained in the proposed development, which would be a significant savings to the Department of Education. Chairman Flynn questioned whether the constructions of parking lots would provide for the appropriate containment of the slightly higher arsenic levels. Mr. da Silva indicated that is correct. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract by and between Harrisville Quarries Associates and the Department of Environmental Management for the acquisition of 105 acres of land located along Cherry Farm Road in the Town of Burrillville; known as the Harrisville Quarries Property. Ms. Primiano provided a map of the subject property for the Committee’s review. Ms. Primiano illustrated the exact location of the property and indicated that the acquisition of this of this property will provide a connection to other State-owned properties located around Spring Lake. Ms. Primiano noted that the existing trails run directly into the subject property to allow the continuation of its public use. Chairman Flynn asked if the State owns all of the

property surrounding Spring Lake with the exception of the residential dwellings located directly on the lake. Ms. Primiano indicated that is correct. Ms. Primiano stated that seventy-five (75%) percent of the funding for this acquisition is coming from the U.S. Fish and Wildlife Service. Ms. Primiano indicated that there is currently a strong market in guns and ammunition; therefore, the amount of federal money being collected for the Department's Hunting Program has increased substantially giving the Department access to seventy five (75%) percent of said funds for land acquisitions; the remaining funds are coming from a bond account. The seller agreed to pay the expense of surveying the property and the Department has reviewed and approved the specifications; therefore, the cost of the survey will be included in the purchase price. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F - Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract by and between the Boy Scouts of America and the Department of Environmental Management for the acquisition of 180 acres of land located along Buck Hill Road in the Town of Burrillville; known as the Boy Scouts Property. Ms. Primiano explained that the subject property is currently owned by the Boy Scouts of America referred to as the Narragansett Council. The Boy Scouts, as well as many other scouting organizations and even some of the non-profit organizations throughout the State of Rhode Island, have begun evaluating their assets and attempting to consolidate their operations. Ms. Primiano noted that in many cases when an organization is not utilizing a property to its full capacity, they are offering them for sale to the Department of Environmental Management and/or The Nature

Conservancy or a combination of conservation groups. Ms. Primiano indicated that typically these are very often the best managed properties and usually located near protected land that offers myriad recreational opportunities. Ms. Primiano noted that there are no State funds associated with this acquisition with the exception of some minor overhead costs. The Department will likely pay the title work expenses, which should not exceed \$5,000 as well as reimbursing the seller for the survey costs. Otherwise, the funds for said acquisition are being contributed by the U.S. Fish and Wildlife Service and from The Nature Conservancy, through a grant from the Champlin Foundation. The property will be open for full public access and will be utilized for hunting and hiking. Ms. Primiano noted that the property includes existing parking lots, which are well developed and gated, making it easy for the Department to maintain and monitor controlled access to the property. Mr. Woolley asked if the Boy Scouts will be able to continue using the property. Ms. Primiano indicated that the Boy Scouts as well as any member of the public will be allowed access to the property for recreational use. There are no exclusive use restrictions for the Boy Scouts or any other organizations relative to this property or any portion thereof. Mr. Woolley asked if the property can be utilized for camping. Ms. Primiano indicated that camping is not allowed on the property at this time; however, because of the increasing interest in camping, some of these parcels may lend themselves for camping activities in the future. Mr. Kay asked if the subject property includes any existing structures. Ms. Primiano indicated that there are no structures of the property with the exception of a couple of gates. A motion was made for approval by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement by and between various owners of the subject property and the Department of Environmental Management for the acquisition of 2.29 acres of land located along East Beach in the Town of Charlestown. Ms. Primiano presented a map for the Committee’s review. Ms. Primiano explained that this acquisition is a continuation of the Department’s effort to obtain conservation easements and/or fee ownership of a series of very small lots located along the Ninigret Conservation Area. Ms. Primiano indicated that one land-owner in the area has made a tremendous effort to persuade the other property-owners to agree to grant the conservation easement. Ms. Primiano stated that the Department has been working with these property-owners for over forty (40) years. The Department previously entered into a Cooperative Land Use Agreement with the property-owners; however, the Department is now attempting to conclude the project through permanent Conservation Easements. Ms. Primiano indicated that the property-owners agreed to donate the Conservation Easement over land that will be held privately, but protected in perpetuity. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM H – Board of Governors for Higher Education/Rhode Island College – A request was made for approval of and signatures on a License Agreement by and between the Board of Governors for Higher Education/Rhode Island College and Cox TMI Wireless, L.L.C. (“Cox”) to allow Cox to place cellular radio and telephone antennas on the roof of the new Residence Hall. Mr. Saccoccio explained that Items H and I are essentially identical requests. Mr. Saccoccio stated that the Board of Governors

and the Colleges are seeking approval of a License Agreement with Cox TMI Wireless, L.L.C. to install cellular radio and telephone antennas on two structures at the college campuses. At the Rhode Island College the antennas will be placed on the roof of the dormitory building known as Residence Hall and at the Community College of Rhode Island the antenna will be placed on the main mega structure in Warwick on the Knight Campus. Mr. Saccoccio indicated that the schematics of the antennas are attached to the License Agreements, which are virtually identical. An annual license fee of approximately \$32,000 has been assessed for the use of the structures to install antennas. The initial term of the agreement is for a five (5) year period and includes three (3) renewal options for a period of five (5) years each. Mr. Saccoccio explained that each of the additional three (3) terms include an escalation cost of three (3%) percent. The License Agreements were presented and approved by the Board of Governors at its last meeting in May 2010, and today Mr. Saccoccio respectfully requests the approval of the State Properties Committee. Mr. Kay asked if these are the only two structures on which antennas have been installed. Mr. Forte indicated that Rhode Island College also has an antenna another residence hall building. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley. Said motion passed three (3) votes “Aye” to one (1) vote “Nay.”

Three (3) Votes “Aye”

Mr. Griffith
Mr. Woolley
Chairman Flynn

One (1) Vote “Nay”

Mr. Kay

ITEM I – Board of Governors for Higher Education/Community College of Rhode Island – A request was made for approval of and signatures on a License Agreement by and between the Board of Governors for Higher Education/Community College of Rhode Island and Cox TMI Wireless, L.L.C. (“Cox”) to allow Cox to place three (3) cellular telephone antennas on the Knight Campus roof in the City of Warwick. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley. Said motion passed three (3) votes “Aye” to one (1) vote “Nay.”

Three (3) Votes “Aye”

Mr. Griffith
Mr. Woolley
Chairman Flynn

One (1) Vote “Nay”

Mr. Kay

ITEM J – Department of Children, Youth and Families – A request was made for approval of and signatures on an eighteen (18) month extension of the Lease Agreement for the premises located at 530 Wood Street in the Town of Bristol. Mr. Peterson explained that the Department was initially seeking approval of a new ten (10) year Lease Agreement; however, the request was revised as an eighteen month extension of the existing Lease Agreement. Prior to the expiration of said extension, the Department will make a final decision as to its course of action relative to the premises. Chairman Flynn asked if the extension document was ready for execution at this time. Mr. Peterson indicated that it was ready for approval and execution at this time. Mr. Woolley indicated that the document is rather straight forward and ties into the original Lease

Agreement, which he thoroughly review and approved back in 1998. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM K – Department of Human Services – A request for final approval for the renewal of Lease Agreement by and between Department of Human Services and 57 Associates, LP for the premises located at 77 Dorrance Street in the City of Providence and a request for a Certificate of the Chairman of the State Properties Committee be forwarded to General Assembly. A motion was made to table Item K to a future meeting of the State Properties Committee by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:50 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary
State Properties Committee

STATE PROPERTIES COMMITTEE MEETING

WEDNESDAY, MAY 19, 2010

The meeting of the State Properties Committee was called to order at 10:06 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Michael Sligar from the Rhode Island Office of the General Treasurer; Director W. Michael Sullivan, John Faltus, Lisa Primiano, Mary E. Kay, Steven Wright, Robert Paquette, Terri Bisson and Russell Chateauneuf from the Rhode Island Department of Environmental Management; Richard Kalunian and Colleen Kerr from the Rhode Island Department of Transportation; John Ryan from the Rhode Island Department of Administration; Frank DiBiase from the Rhode Island Department of Human Services; and Richard A. Licht from the law firm of Adler, Pollock and Sheehan.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meetings of October 13, 2009, October 27, 2009, November 10, 2009, of April 9, 2010, and April 27, 2010, by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM A – Department of Human Services – A request was made for final approval for the renewal of the Lease Agreement by and between Department of Human

Services and 57 Associates, LP for the premises located at 77 Dorrance Street in the City of Providence and a request for a Certificate of Chairman of the State Properties Committee be forwarded to General Assembly. *Item A is deferred to a future meeting of the State Properties Committee at the request of the Department of Human Services.*

ITEM B – Department of Human Services – A request was made for approval of a Lease Agreement by and between Brookwood Middletown Tech, LLC and the Department of Human Services (“DHS”) for office space located at 76 Hammarlund Way in the Town of Middletown and to request a Certificate of Chairman of the State Properties Committee be forwarded to the General Assembly. Mr. Ryan explained that DHS is appearing before the Committee concerning two requests this morning. The first is to obtain approval of the Lease Agreement by and between Brookwood Middletown Tech, LLC and DHS for office space located at 76 Hammarlund Way in the Town of Middletown. The Lease Agreement is for a term of five (5) years. The leased premises consist of 12, 678 square feet with an annual rental fee of \$221,231. Mr. Ryan indicated that the Lease Agreement provides for employee parking, which accommodates seventy-five (75) vehicles. Mr. Ryan stated that the utilities and taxes are included in the base rent; however, as the Lease Agreement moves along, DHS will pay its proportionate share of any increases in said expenses. Additionally, janitorial service, trash disposal and snow and ice removal are all included in the rental fee as well as the tenant’s build-out. Mr. Ryan explained that because the term of the Lease Agreement is five (5) years and the aggregate rent is in excess of \$500,000, the Lease Agreement will also require the approval of the General Assembly. Mr. Ryan respectfully requested that Chairman Flynn forward the Certificate of Chairperson of the State Properties Committee and cover letter

to the General Assembly in order to obtain the necessary funding approval. Chairman Flynn asked what DHS is paying in rent at the current location. Mr. Ryan indicated that the DHS presently leases approximately 9,500 square feet of office space at a rate of \$19.25, per square foot, for a total annual rent of approximately \$190,000. Mr. Ryan indicated that there are parking issues at the present location, which do not exist at the new facility. Mr. Ryan explained that the increased amount of square footage being leased at the new facility is to accommodate six (6) staff members from the Department of Labor (“DLT”) that will be joining the Department at the new location. Mr. Ryan indicated that DHS and the DLT are attempting to centralize their services as both agencies deal with much of the same clientele. Mr. Ryan explained that DLT will internally reimburse DHS for its portion of the rental fee based upon the amount of square footage its staff occupies. Mr. Griffith asked if this arrangement resulted in DLT surrendering office space elsewhere. Mr. Ryan indicated that is correct; however, DLT was actually seeking to relocate to another location so this arrangement has worked out well for everyone. Ms. Barclay explained that DHS and DLT have a benefit program, which requires that the two agencies work in conjunction with one another; said program is referred to as Rhode Island Work. Ms. Barclay noted that in order to receive assistance from DHS, the clients have to participate in a job improvement program with DLT so this is a kind of marrying of those benefits through the Rhode Island Work Program. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM C – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and Rhode Island Monthly Communications for use of the State House for a reception on Sunday, June 6, 2010. Mr. Schiappa indicated that Rhode Island Monthly Communications will be utilizing the Rotunda of the State House for said reception. The applicant has submitted the required fees and damage deposit. Chairman Flynn asked what the assessed fee is. Mr. Schiappa stated that the fee is \$750.00. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and Johnson & Wales University to allow the University to utilize the State House for a reception on Sunday, November 7, 2010. Mr. Schiappa stated that two (2) individuals from Johnson & Wales University are present today to answer any questions the Committee may have regarding the specific of said event. Mr. Schiappa noted that the University has also submitted the required fee and damage deposit for this event. Mr. Schiappa stated that the University has not yet submitted a Certificate of Insurance as the University is in the process of modifying its insurance policy. Therefore, the Committee's approval of said request would be subject to the submission of the appropriate Certificate of Insurance. Mr. Kay asked if there will be alcoholic beverages sold or served at the reception. Mr. Schiappa indicated that alcoholic beverages will be served at the reception. Mr. Kay asked if liquor liability insurance coverage was included on the previous insurance policy. Mr. Schiappa noted that it was

included on the previous insurance and will be included on the modified insurance policy as well. A motion was made to approve subject to the submission of the appropriate Certificate of Insurance by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for conceptual approval to dispose of approximately 6,950 square feet of land comprised of three (3) parcels located adjacent to Louisquisset Pike in the Town of Lincoln. (Christine Bien to attend) *This item is deferred to the May 25, 2010, State Properties Committee meeting at the request of the Department of Transportation.*

ITEM F – Office of Secretary of State – A request was made for approval of and signatures on a Subordination, Non Disturbance and Attornment Agreement and a Tenant Estoppel Certificate relative property located at 148 West River Street in the City of Providence. Mr. Welch explained that the current owner of the property located at 148 West River Street recently refinanced with Bank of Rhode Island. Bank of Rhode Island is requiring the execution of a Subordination, Non Disturbance and Attornment Agreement and a Tenant Estoppel Certificate as a result of said refinancing. Mr. Welch stated that the Office of Secretary of State entered into this lease in July of 2005, with the approval of the State Properties Committee. Mr. Welch stated that the package approved in 2005, included a similar subordination agreement and tenant estoppel certificate. Mr. Welch explained that sections 29 and 30 of the 2005 Lease Agreement mandate that at the request of the Landlord, the Tenant, Office of the Secretary of State, shall agree to execute and deliver the required documents in order to facilitate any future refinancing of the property. For the benefit of the Committee, Mr. Welch provided a detailed

explanation concerning the purpose of both, the Subordination, Non Disturbance and Attornment Agreement and the Tennant Estoppel Certificate and stated that both documents are part of the standard procedure for the refinancing of property that involves third-party lease agreements. A motion was made to approve by Mr. Woolley and seconded by Mr. Woolley.

Passed Unanimously

ITEM G – Department of Attorney General – A request was made for approval of an Easement Agreement by and between Robert F. and Marquita S. Troiano with respect to a sewer/water pipe connected into the drainage system under the rear parking lot utilized by the Department of Attorney General located at 150 South Main in the City of Providence. Chairman Flynn noted that as Mr. Murray is not available to attend today’s meeting, Mr. Woolley will provide the Committee with a brief explanation regarding the nature of this request. Mr. Woolley explained that the owners of private property located behind the Department of Attorney General have a sewer pipe that runs underneath the Department’s property. Mr. Woolley indicated that there was a dispute between the Department and said property owners; however, the subject Easement Agreement resolved said conflict. Mr. Woolley explained that until now, the private property owners have been using said sewer pipe absent an Easement Agreement. Therefore, with the approval of said Easement Agreement, the burden of maintaining the easement shifts to the property owners and compels them to be partially responsible for completing any and all necessary repairs and/or the total replacement of said sewer pipe. The Easement Agreement also provides the property owners with the opportunity to engage a qualified vendor of their own choosing to service the pipe in the event it becomes clogged or any

other issues arise. Chairman Flynn asked if the property owners have paid the State of Rhode Island for said easement as of yet. Mr. Woolley indicated he is unsure whether the assessed fee has been paid, but indicated that payment is imminent nonetheless. Mr. Woolley noted that the Easement Agreement is in the State's best interest and stated that he will abstain from voting relative to this request as he is employed by the Department of Attorney General. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Three (3) Votes "Aye"

Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Abstention

Mr. Woolley

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on the License Agreement by and between the Department of Environmental Management and Fiske Independent Race Management ("F.I.R.M.") to allow the F.I.R.M. to utilize a portion of the parking lot at Roger Wheeler State Beach for an All Woman's Triathlon on August 21st and 22nd 2010. Mr. Faltus explained that the F.I.R.M. has requested the use of a portion of the parking lot at Roger Wheeler State Beach from 6:30 p.m. on Saturday, August 21, 2010, through Sunday, August 22, 2010, at 10:30 a.m. Mr. Faltus provided the Committee with copies of the Certificate of Insurance and Endorsement and noted that said insurance coverage is provided through USA Triathlon. Mr. Faltus explained that this event is similar to the Amica Ironman

event although on a much smaller scale. Mr. Faltus stated that under the terms and conditions of the License Agreement, a fee in the amount of \$3,450.00 is required for the parking spaces to be utilized during this event. The F.I.R.M. will be billed for any staffing costs associated with holding said event on the Department's property. Mr. Faltus stated that the F.I.R.M. is also required to provide the Department with a letter of approval for said event from the Town of Narragansett. Mr. Griffith asked if the Department has dealt with this particular organization in the past. Mr. Faltus indicated that the Department has not had any previous dealings with the F.I.R.M. prior to this event. A motion was made to approve subject to the submission of the letter of approval from the Town of Narragansett by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Consent and Approval of Easement Agreement for an easement from the City of Cranston to the USDA Natural Resources Conservation Service (“NRCS”) to the Department of Environmental Management to facilitate a flood capacity restoration project. Ms. Kay explained that the Department transferred the property known as Fay Field located along the Pawtuxet River to the City of Cranston in November of 1992, subject to the City utilizing said property as a public park for outdoor recreational purposes. In accordance with the Transfer Agreement, the City of Cranston is required to obtain the approval both of the State of Rhode Island and the State Properties Committee prior to any conveyance of any interest in the subject property. Ms. Kay explained that fairly recently the City of Cranston was notified by NRCS that there is federal funding available for flood mitigation projects along the Pawtuxet River.

Ms. Kay explained that in order to accomplish the flood capacity restoration project, the NRCS needs the City to grant them an easement over the Fay Field property. Ms. Kay indicated that over the past several weeks, the Department has been working with the City to procure an arrangement that would allow the City to obtain approval to grant the necessary easement while still complying with the terms and conditions of the Transfer Agreement. Ms. Kay stated that the property comprises two (2) ball fields and associated parking and that said uses will continue uninterrupted during the restoration project. However, there will not be any additional development of ball fields or associated parking, which would most likely be inconsistent with the environmental value of the remaining portion of the Fay Field property. The other more passive use of the remaining portion of the property will also continue to occur, but could be temporarily impacted by the project. Ms. Kay stated that the City of Cranston is receiving compensation for the easement, which it plans to reinvest in additional flood plain work as well as providing some passive recreation amenities along the Pawtuxet Riverfront in order to make it more accessible to the public, to improve existing trails and things of that nature. Chairman Flynn asked Ms. Kay to further clarify the Department's concern relative to the City of Cranston granting an easement to NRCS. Ms. Kay explained that the Department's primary concern is that the property was condemned by the Metropolitan Park Commission back in 1918, with funds appropriated by the General Assembly and paid for by the people of the State of Rhode Island for use as a public recreation site. Ms. Kay stated the Department has an obligation to ensure that the property continues to be utilized for public recreational purposes, just as it does now when property is purchased for a particular use with bond funds. Ms. Kay stated that as the subject property was

transferred to the City for public recreational purposes, the Department intends to make certain the property continues to be used for that purpose. Ms. Kay stated that the Department does not want the City entering into a lease agreement whereby the subject property would be used for private recreation for profit. Ms. Kay further explained that the easement area is outside the portion of the property where the ball fields and parking are situated and the Department has received assurances from the City that it intends to keep the access and trails along the riverfront open to the public and these are the types of passive uses the Department very much supports in the area. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease by and between the Department of Environmental Management and Interstate Navigation Company for the lease of Lots 217, 219, 219A and 220 in the Port of Galilee. Ms. Bisson explained that Interstate Navigation Company has leased the above-referenced lots since 1936 to operate its ferry service business to Block Island from the Port of Galilee. Ms. Bisson stated that under the terms of the Indenture of Lease Interstate will rent the premises until 2015 with seven (7) five (5) year options to extend the Lease. Therefore, the Indenture of Lease can actually be extended until the year 2050. A lease fee of .80¢ per square foot was established via an appraisal conducted by Sweeney Real Estate Appraiser. Ms. Bisson explained that Pier P, which was originally owned and built by Interstate Navigation Company is now dilapidated. Interstate Navigation Company has proposed rebuilding said pier for an estimated cost of \$110,000. Therefore, this Indenture of Lease waives the

rental fee for Pier P for the first ten (10) years in an effort to off set the costs incurred by Interstate Navigation Company to rebuild the pier. Under the terms and conditions of the Indenture of Lease, Interstate Navigation Company is required to carry liability insurance as well as fire and extended insurance with the State of Rhode Island listed as additional insured. Ms. Bisson stated that the Indenture of Lease includes operational provisions to facilitate public safety and to reduce pollution problems affecting marine waters. Ms. Bisson explained that a new provision of the Lease requires Interstate Navigation Company to use the sewage pump-out terminals in Narragansett for the discharge of sewage waste from ferry operations. Interstate Navigation Company has invested more than \$100,000 to ensure compliance with said provision. Chairman Flynn asked in view of the consideration of the rental fee given to Interstate Navigation Company because of the cost of rebuilding Pier P, will they be required to submit receipts and the like to the Department evidencing that they in fact incurred \$110,000 in costs. Ms. Bisson explained that in accordance with the Indenture of Lease, all construction plans must be reviewed and approved by the State prior to the commencement of any construction. The State will also monitor the progress of the repair project, and upon its completion, Interstate Navigation Company will be required to submit a final statement/report of any and all expense incurred relative to the rebuilding of Pier P. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM K – Department of Environmental Management – A request was made for approval of and signatures on a Tripartite Agreement by and among the Department of

Environmental Management; Interstate Navigation Company; and The Washington Trust Company related to the lease of Lots 217, 219, 219A and 220 in the Port of Galilee. Ms. Bisson explained that the Tripartite Agreement addresses the financial arrangements between Interstate Navigation Company and The Washington Trust Company. This Tripartite Agreement merely replaces the previous agreement. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM L – Department of Environmental Management – A request was made for approval of and signatures on a Lease Agreement by and between Department of Environmental Management and Interstate Navigation Company for the lease of Lots 261, 262, 263 and 264 in the Port of Galilee. Ms. Bisson explained that the subject lots are leased to Interstate Navigation Company to accommodate employee parking, standby parking for ferry vehicles and for temporary staging for the off-loading of goods and materials being brought to and from Block Island. Ms. Bisson stated that the initial term of this Lease Agreement is until the year 2015, with three (3) five (3) year options to renew the Lease Agreement through 2030. The rental rate is .60¢ per square foot or \$19,200 per year. Said fee was established via an appraisal conducted by Sweeney Real Estate Appraiser. Ms. Bisson noted that the Lease Agreement requires Interstate Navigation Company to carry liability insurance with the State of Rhode Island listed as additional insured. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for approval of and signatures on an Assumption and First Amendment of Lease Agreement by and between the Department of Environmental Management and Galilee Grocery for the lease of Lot 274A in the Port of Galilee. Ms. Bisson stated that Galilee Grocery has leased the subject property since 2006, conducting a business as a small grocery store. The store serves the residents of Galilee as well as the commercial fishermen who operate out of the Port of Galilee. Ms. Bisson explained that the shares of Galilee Grocery were sold to William J. Pacheco and he would like to continue to operate this business and assume all obligations under the Lease Agreement. Mr. Pacheco is paying the rental rate of .70¢ per square foot or \$4,173 per year. The Lease Agreement also requires Galilee Grocery to carry liability insurance for bodily injury including death and property damage with the State of Rhode Island listed as additional insured. Mr. Kay asked if the insurance policy includes product liability coverage. Ms. Kay stated that she believes product liability is covered under the general comprehensive liability insurance. Mr. Kay indicated that property liability is not covered under the general comprehensive liability insurance; the policy must specifically and separately address the existence of product liability insurance coverage. Mr. Kay indicated that the present policy can be amended to include product liability coverage. Ms. Bisson stated that she would see to it that the insurance policy is amended to include product liability coverage. Mr. Woolley noted that the word “force” had been inadvertently omitted from a sentence on page two (2) of the document and asked if said error had been corrected. Ms. Bisson indicated that she forwarded the corrected substitute page two (2) to Ms. Rhodes who had inserted the same into the document. A motion was made to by Mr. Woolley subject to the insurance

policy being amended to specifically include product liability coverage. Said motion to approve was seconded by Mr. Griffith.

Passed Unanimously

ITEM N – Department of Administration – A request was made for approval of and signatures on a Purchase and Sale Contract by and between the Department of Administration and Michael A. Grieco (d/b/a) Garwaine Realty relative to the property located at 1670 Hartford Avenue in the Town of Johnston. Mr. Ryan explained that the subject property is the current location of the State’s IT operation. The IT operation will be relocating to the facility located at 50 Service Avenue in the City of Warwick; however, until the renovations and the expansion of the computer room at the new facility are complete, the State will be leasing back the 1670 Hartford Avenue property to allow the IT operation to remain there temporarily. Mr. Ryan noted that said arrangement was made a part of the Request for Proposals and the Lease Agreement is attached as an exhibit to the Purchase and Sale Contract. Mr. Ryan stated that the proposed closing date for the subject property is June 30, 2010. Mr. Ryan submitted a letter to the Committee from Director Rosemary Booth-Gallogly indicating that in her capacity as Chief Purchasing Officer, she approves of the sale of the subject property and believes it is in the best interest of the State of Rhode Island. Mr. Grieco has submitted the required deposit of \$50,000 and the parties are moving toward a closing of the property on or before June 30, 2010. Mr. Griffith asked what the term of the Lease Agreement between the State and Mr. Grieco. Mr. Ryan explained that because the anticipated closing date is June 30, 2010, the term of the Lease Agreement runs from June 30, 2010, through June 30, 2011. Mr. Ryan also explained that the Lease

Agreement contains provisions that allow the State to terminate before the expiration of the lease as well as a provision that allows the State to continue to lease the premises on a month to month basis after its expiration in the event the renovation of the new facility take longer than expected. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM O – Department of Children, Youth and Families – A request for permission to retransmit a Resolution to the Senate and House requesting approval of a three (3) year Lease Agreement , with an option to extend for an additional seven years for the Bristol Office. By way of background, Mr. Peterson stated that in June of 2009, the Department appeared before the State Properties Committee requesting permission to renew three (3) of its leases, which included leased property located in North Kingstown at a cost of \$308,000 per year; leased property located in Pawtucket at a cost of \$477,000 per year; and lastly leased property located in Bristol at a cost of \$260,000. The Department transmitted those Resolutions to the General Assembly who in turn passed them on the Senate, who transferred them to the House of Representatives. Mr. Peterson reminded the Committee that the House of Representatives adjourned its session prior to considering said Resolutions. When the House of Representatives resumed its session in October of 2009, the Director Sasse of the Department of Administration and Director Alexander of the Department of Human Services began examining all of the leases to determine where the State could consolidate space. Mr. Peterson noted that he is happy to report to the Committee that the Department moving out of premises located in Pawtucket at a saving to the State for the current rent of \$499,000 per year. The staff

from the Pawtucket Regional Office is being divided between an existing lease in Woonsocket at the DHS building and the 101 Friendship Street building, which has been reconfigured to accommodate the additional staff. Mr. Peterson noted that with regard to the North Kingstown lease, the Department has agreed to relocate that office to the Governor Steadman Building once the Division of Capitol Projects works out the details. *This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Children, Youth and Families.*

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:58 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary
State Properties Committee

STATE PROPERTIES COMMITTEE MEETING

WEDNESDAY, MAY 19, 2010

The meeting of the State Properties Committee was called to order at 10:06 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Michael Sligar from the Rhode Island Office of the General Treasurer; Director W. Michael Sullivan, John Faltus, Lisa Primiano, Mary E. Kay, Steven Wright, Robert Paquette, Terri Bisson and Russell Chateauneuf from the Rhode Island Department of Environmental Management; Richard Kalunian and Colleen Kerr from the Rhode Island Department of Transportation; John Ryan from the Rhode Island Department of Administration; Frank DiBiase from the Rhode Island Department of Human Services; and Richard A. Licht from the law firm of Adler, Pollock and Sheehan.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meetings of October 13, 2009, October 27, 2009, November 10, 2009, of April 9, 2010, and April 27, 2010, by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM A – Department of Human Services – A request was made for final approval for the renewal of the Lease Agreement by and between Department of Human

Services and 57 Associates, LP for the premises located at 77 Dorrance Street in the City of Providence and a request for a Certificate of Chairman of the State Properties Committee be forwarded to General Assembly. *Item A is deferred to a future meeting of the State Properties Committee at the request of the Department of Human Services.*

ITEM B – Department of Human Services – A request was made for approval of a Lease Agreement by and between Brookwood Middletown Tech, LLC and the Department of Human Services (“DHS”) for office space located at 76 Hammarlund Way in the Town of Middletown and to request a Certificate of Chairman of the State Properties Committee be forwarded to the General Assembly. Mr. Ryan explained that DHS is appearing before the Committee concerning two requests this morning. The first is to obtain approval of the Lease Agreement by and between Brookwood Middletown Tech, LLC and DHS for office space located at 76 Hammarlund Way in the Town of Middletown. The Lease Agreement is for a term of five (5) years. The leased premises consist of 12, 678 square feet with an annual rental fee of \$221,231. Mr. Ryan indicated that the Lease Agreement provides for employee parking, which accommodates seventy-five (75) vehicles. Mr. Ryan stated that the utilities and taxes are included in the base rent; however, as the Lease Agreement moves along, DHS will pay its proportionate share of any increases in said expenses. Additionally, janitorial service, trash disposal and snow and ice removal are all included in the rental fee as well as the tenant’s build-out. Mr. Ryan explained that because the term of the Lease Agreement is five (5) years and the aggregate rent is in excess of \$500,000, the Lease Agreement will also require the approval of the General Assembly. Mr. Ryan respectfully requested that Chairman Flynn forward the Certificate of Chairperson of the State Properties Committee and cover letter

to the General Assembly in order to obtain the necessary funding approval. Chairman Flynn asked what DHS is paying in rent at the current location. Mr. Ryan indicated that the DHS presently leases approximately 9,500 square feet of office space at a rate of \$19.25, per square foot, for a total annual rent of approximately \$190,000. Mr. Ryan indicated that there are parking issues at the present location, which do not exist at the new facility. Mr. Ryan explained that the increased amount of square footage being leased at the new facility is to accommodate six (6) staff members from the Department of Labor (“DLT”) that will be joining the Department at the new location. Mr. Ryan indicated that DHS and the DLT are attempting to centralize their services as both agencies deal with much of the same clientele. Mr. Ryan explained that DLT will internally reimburse DHS for its portion of the rental fee based upon the amount of square footage its staff occupies. Mr. Griffith asked if this arrangement resulted in DLT surrendering office space elsewhere. Mr. Ryan indicated that is correct; however, DLT was actually seeking to relocate to another location so this arrangement has worked out well for everyone. Ms. Barclay explained that DHS and DLT have a benefit program, which requires that the two agencies work in conjunction with one another; said program is referred to as Rhode Island Work. Ms. Barclay noted that in order to receive assistance from DHS, the clients have to participate in a job improvement program with DLT so this is a kind of marrying of those benefits through the Rhode Island Work Program. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM C – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and Rhode Island Monthly Communications for use of the State House for a reception on Sunday, June 6, 2010. Mr. Schiappa indicated that Rhode Island Monthly Communications will be utilizing the Rotunda of the State House for said reception. The applicant has submitted the required fees and damage deposit. Chairman Flynn asked what the assessed fee is. Mr. Schiappa stated that the fee is \$750.00. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and Johnson & Wales University to allow the University to utilize the State House for a reception on Sunday, November 7, 2010. Mr. Schiappa stated that two (2) individuals from Johnson & Wales University are present today to answer any questions the Committee may have regarding the specific of said event. Mr. Schiappa noted that the University has also submitted the required fee and damage deposit for this event. Mr. Schiappa stated that the University has not yet submitted a Certificate of Insurance as the University is in the process of modifying its insurance policy. Therefore, the Committee's approval of said request would be subject to the submission of the appropriate Certificate of Insurance. Mr. Kay asked if there will be alcoholic beverages sold or served at the reception. Mr. Schiappa indicated that alcoholic beverages will be served at the reception. Mr. Kay asked if liquor liability insurance coverage was included on the previous insurance policy. Mr. Schiappa noted that it was

included on the previous insurance and will be included on the modified insurance policy as well. A motion was made to approve subject to the submission of the appropriate Certificate of Insurance by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for conceptual approval to dispose of approximately 6,950 square feet of land comprised of three (3) parcels located adjacent to Louisquisset Pike in the Town of Lincoln. (Christine Bien to attend) *This item is deferred to the May 25, 2010, State Properties Committee meeting at the request of the Department of Transportation.*

ITEM F – Office of Secretary of State – A request was made for approval of and signatures on a Subordination, Non Disturbance and Attornment Agreement and a Tennant Estoppel Certificate relative property located at 148 West River Street in the City of Providence. Mr. Welch explained that the current owner of the property located at 148 West River Street recently refinanced with Bank of Rhode Island. Bank of Rhode Island is requiring the execution of a Subordination, Non Disturbance and Attornment Agreement and a Tennant Estoppel Certificate as a result of said refinancing. Mr. Welch stated that the Office of Secretary of State entered into this lease in July of 2005, with the approval of the State Properties Committee. Mr. Welch stated that the package approved in 2005, included a similar subordination agreement and tenant estoppel certificate. Mr. Welch explained that sections 29 and 30 of the 2005 Lease Agreement mandate that at the request of the Landlord, the Tenant, Office of the Secretary of State, shall agree to execute and deliver the required documents in order to facilitate any future refinancing of the property. For the benefit of the Committee, Mr. Welch provided a detailed

explanation concerning the purpose of both, the Subordination, Non Disturbance and Attornment Agreement and the Tennant Estoppel Certificate and stated that both documents are part of the standard procedure for the refinancing of property that involves third-party lease agreements. A motion was made to approve by Mr. Woolley and seconded by Mr. Woolley.

Passed Unanimously

ITEM G – Department of Attorney General – A request was made for approval of an Easement Agreement by and between Robert F. and Marquita S. Troiano with respect to a sewer/water pipe connected into the drainage system under the rear parking lot utilized by the Department of Attorney General located at 150 South Main in the City of Providence. Chairman Flynn noted that as Mr. Murray is not available to attend today’s meeting, Mr. Woolley will provide the Committee with a brief explanation regarding the nature of this request. Mr. Woolley explained that the owners of private property located behind the Department of Attorney General have a sewer pipe that runs underneath the Department’s property. Mr. Woolley indicated that there was a dispute between the Department and said property owners; however, the subject Easement Agreement resolved said conflict. Mr. Woolley explained that until now, the private property owners have been using said sewer pipe absent an Easement Agreement. Therefore, with the approval of said Easement Agreement, the burden of maintaining the easement shifts to the property owners and compels them to be partially responsible for completing any and all necessary repairs and/or the total replacement of said sewer pipe. The Easement Agreement also provides the property owners with the opportunity to engage a qualified vendor of their own choosing to service the pipe in the event it becomes clogged or any

other issues arise. Chairman Flynn asked if the property owners have paid the State of Rhode Island for said easement as of yet. Mr. Woolley indicated he is unsure whether the assessed fee has been paid, but indicated that payment is imminent nonetheless. Mr. Woolley noted that the Easement Agreement is in the State's best interest and stated that he will abstain from voting relative to this request as he is employed by the Department of Attorney General. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Three (3) Votes "Aye"

Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Abstention

Mr. Woolley

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on the License Agreement by and between the Department of Environmental Management and Fiske Independent Race Management ("F.I.R.M.") to allow the F.I.R.M. to utilize a portion of the parking lot at Roger Wheeler State Beach for an All Woman's Triathlon on August 21st and 22nd 2010. Mr. Faltus explained that the F.I.R.M. has requested the use of a portion of the parking lot at Roger Wheeler State Beach from 6:30 p.m. on Saturday, August 21, 2010, through Sunday, August 22, 2010, at 10:30 a.m. Mr. Faltus provided the Committee with copies of the Certificate of Insurance and Endorsement and noted that said insurance coverage is provided through USA Triathlon. Mr. Faltus explained that this event is similar to the Amica Ironman

event although on a much smaller scale. Mr. Faltus stated that under the terms and conditions of the License Agreement, a fee in the amount of \$3,450.00 is required for the parking spaces to be utilized during this event. The F.I.R.M. will be billed for any staffing costs associated with holding said event on the Department's property. Mr. Faltus stated that the F.I.R.M. is also required to provide the Department with a letter of approval for said event from the Town of Narragansett. Mr. Griffith asked if the Department has dealt with this particular organization in the past. Mr. Faltus indicated that the Department has not had any previous dealings with the F.I.R.M. prior to this event. A motion was made to approve subject to the submission of the letter of approval from the Town of Narragansett by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Consent and Approval of Easement Agreement for an easement from the City of Cranston to the USDA Natural Resources Conservation Service (“NRCS”) to the Department of Environmental Management to facilitate a flood capacity restoration project. Ms. Kay explained that the Department transferred the property known as Fay Field located along the Pawtuxet River to the City of Cranston in November of 1992, subject to the City utilizing said property as a public park for outdoor recreational purposes. In accordance with the Transfer Agreement, the City of Cranston is required to obtain the approval both of the State of Rhode Island and the State Properties Committee prior to any conveyance of any interest in the subject property. Ms. Kay explained that fairly recently the City of Cranston was notified by NRCS that there is federal funding available for flood mitigation projects along the Pawtuxet River.

Ms. Kay explained that in order to accomplish the flood capacity restoration project, the NRCS needs the City to grant them an easement over the Fay Field property. Ms. Kay indicated that over the past several weeks, the Department has been working with the City to procure an arrangement that would allow the City to obtain approval to grant the necessary easement while still complying with the terms and conditions of the Transfer Agreement. Ms. Kay stated that the property comprises two (2) ball fields and associated parking and that said uses will continue uninterrupted during the restoration project. However, there will not be any additional development of ball fields or associated parking, which would most likely be inconsistent with the environmental value of the remaining portion of the Fay Field property. The other more passive use of the remaining portion of the property will also continue to occur, but could be temporarily impacted by the project. Ms. Kay stated that the City of Cranston is receiving compensation for the easement, which it plans to reinvest in additional flood plain work as well as providing some passive recreation amenities along the Pawtuxet Riverfront in order to make it more accessible to the public, to improve existing trails and things of that nature. Chairman Flynn asked Ms. Kay to further clarify the Department's concern relative to the City of Cranston granting an easement to NRCS. Ms. Kay explained that the Department's primary concern is that the property was condemned by the Metropolitan Park Commission back in 1918, with funds appropriated by the General Assembly and paid for by the people of the State of Rhode Island for use as a public recreation site. Ms. Kay stated the Department has an obligation to ensure that the property continues to be utilized for public recreational purposes, just as it does now when property is purchased for a particular use with bond funds. Ms. Kay stated that as the subject property was

transferred to the City for public recreational purposes, the Department intends to make certain the property continues to be used for that purpose. Ms. Kay stated that the Department does not want the City entering into a lease agreement whereby the subject property would be used for private recreation for profit. Ms. Kay further explained that the easement area is outside the portion of the property where the ball fields and parking are situated and the Department has received assurances from the City that it intends to keep the access and trails along the riverfront open to the public and these are the types of passive uses the Department very much supports in the area. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease by and between the Department of Environmental Management and Interstate Navigation Company for the lease of Lots 217, 219, 219A and 220 in the Port of Galilee. Ms. Bisson explained that Interstate Navigation Company has leased the above-referenced lots since 1936 to operate its ferry service business to Block Island from the Port of Galilee. Ms. Bisson stated that under the terms of the Indenture of Lease Interstate will rent the premises until 2015 with seven (7) five (5) year options to extend the Lease. Therefore, the Indenture of Lease can actually be extended until the year 2050. A lease fee of .80¢ per square foot was established via an appraisal conducted by Sweeney Real Estate Appraiser. Ms. Bisson explained that Pier P, which was originally owned and built by Interstate Navigation Company is now dilapidated. Interstate Navigation Company has proposed rebuilding said pier for an estimated cost of \$110,000. Therefore, this Indenture of Lease waives the

rental fee for Pier P for the first ten (10) years in an effort to off set the costs incurred by Interstate Navigation Company to rebuild the pier. Under the terms and conditions of the Indenture of Lease, Interstate Navigation Company is required to carry liability insurance as well as fire and extended insurance with the State of Rhode Island listed as additional insured. Ms. Bisson stated that the Indenture of Lease includes operational provisions to facilitate public safety and to reduce pollution problems affecting marine waters. Ms. Bisson explained that a new provision of the Lease requires Interstate Navigation Company to use the sewage pump-out terminals in Narragansett for the discharge of sewage waste from ferry operations. Interstate Navigation Company has invested more than \$100,000 to ensure compliance with said provision. Chairman Flynn asked in view of the consideration of the rental fee given to Interstate Navigation Company because of the cost of rebuilding Pier P, will they be required to submit receipts and the like to the Department evidencing that they in fact incurred \$110,000 in costs. Ms. Bisson explained that in accordance with the Indenture of Lease, all construction plans must be reviewed and approved by the State prior to the commencement of any construction. The State will also monitor the progress of the repair project, and upon its completion, Interstate Navigation Company will be required to submit a final statement/report of any and all expense incurred relative to the rebuilding of Pier P. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM K – Department of Environmental Management – A request was made for approval of and signatures on a Tripartite Agreement by and among the Department of

Environmental Management; Interstate Navigation Company; and The Washington Trust Company related to the lease of Lots 217, 219, 219A and 220 in the Port of Galilee. Ms. Bisson explained that the Tripartite Agreement addresses the financial arrangements between Interstate Navigation Company and The Washington Trust Company. This Tripartite Agreement merely replaces the previous agreement. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM L – Department of Environmental Management – A request was made for approval of and signatures on a Lease Agreement by and between Department of Environmental Management and Interstate Navigation Company for the lease of Lots 261, 262, 263 and 264 in the Port of Galilee. Ms. Bisson explained that the subject lots are leased to Interstate Navigation Company to accommodate employee parking, standby parking for ferry vehicles and for temporary staging for the off-loading of goods and materials being brought to and from Block Island. Ms. Bisson stated that the initial term of this Lease Agreement is until the year 2015, with three (3) five (3) year options to renew the Lease Agreement through 2030. The rental rate is .60¢ per square foot or \$19,200 per year. Said fee was established via an appraisal conducted by Sweeney Real Estate Appraiser. Ms. Bisson noted that the Lease Agreement requires Interstate Navigation Company to carry liability insurance with the State of Rhode Island listed as additional insured. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for approval of and signatures on an Assumption and First Amendment of Lease Agreement by and between the Department of Environmental Management and Galilee Grocery for the lease of Lot 274A in the Port of Galilee. Ms. Bisson stated that Galilee Grocery has leased the subject property since 2006, conducting a business as a small grocery store. The store serves the residents of Galilee as well as the commercial fishermen who operate out of the Port of Galilee. Ms. Bisson explained that the shares of Galilee Grocery were sold to William J. Pacheco and he would like to continue to operate this business and assume all obligations under the Lease Agreement. Mr. Pacheco is paying the rental rate of .70¢ per square foot or \$4,173 per year. The Lease Agreement also requires Galilee Grocery to carry liability insurance for bodily injury including death and property damage with the State of Rhode Island listed as additional insured. Mr. Kay asked if the insurance policy includes product liability coverage. Ms. Kay stated that she believes product liability is covered under the general comprehensive liability insurance. Mr. Kay indicated that property liability is not covered under the general comprehensive liability insurance; the policy must specifically and separately address the existence of product liability insurance coverage. Mr. Kay indicated that the present policy can be amended to include product liability coverage. Ms. Bisson stated that she would see to it that the insurance policy is amended to include product liability coverage. Mr. Woolley noted that the word “force” had been inadvertently omitted from a sentence on page two (2) of the document and asked if said error had been corrected. Ms. Bisson indicated that she forwarded the corrected substitute page two (2) to Ms. Rhodes who had inserted the same into the document. A motion was made to by Mr. Woolley subject to the insurance

policy being amended to specifically include product liability coverage. Said motion to approve was seconded by Mr. Griffith.

Passed Unanimously

ITEM N – Department of Administration – A request was made for approval of and signatures on a Purchase and Sale Contract by and between the Department of Administration and Michael A. Grieco (d/b/a) Garwaine Realty relative to the property located at 1670 Hartford Avenue in the Town of Johnston. Mr. Ryan explained that the subject property is the current location of the State’s IT operation. The IT operation will be relocating to the facility located at 50 Service Avenue in the City of Warwick; however, until the renovations and the expansion of the computer room at the new facility are complete, the State will be leasing back the 1670 Hartford Avenue property to allow the IT operation to remain there temporarily. Mr. Ryan noted that said arrangement was made a part of the Request for Proposals and the Lease Agreement is attached as an exhibit to the Purchase and Sale Contract. Mr. Ryan stated that the proposed closing date for the subject property is June 30, 2010. Mr. Ryan submitted a letter to the Committee from Director Rosemary Booth-Gallogly indicating that in her capacity as Chief Purchasing Officer, she approves of the sale of the subject property and believes it is in the best interest of the State of Rhode Island. Mr. Grieco has submitted the required deposit of \$50,000 and the parties are moving toward a closing of the property on or before June 30, 2010. Mr. Griffith asked what the term of the Lease Agreement between the State and Mr. Grieco. Mr. Ryan explained that because the anticipated closing date is June 30, 2010, the term of the Lease Agreement runs from June 30, 2010, through June 30, 2011. Mr. Ryan also explained that the Lease

Agreement contains provisions that allow the State to terminate before the expiration of the lease as well as a provision that allows the State to continue to lease the premises on a month to month basis after its expiration in the event the renovation of the new facility take longer than expected. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM O – Department of Children, Youth and Families – A request for permission to retransmit a Resolution to the Senate and House requesting approval of a three (3) year Lease Agreement , with an option to extend for an additional seven years for the Bristol Office. By way of background, Mr. Peterson stated that in June of 2009, the Department appeared before the State Properties Committee requesting permission to renew three (3) of its leases, which included leased property located in North Kingstown at a cost of \$308,000 per year; leased property located in Pawtucket at a cost of \$477,000 per year; and lastly leased property located in Bristol at a cost of \$260,000. The Department transmitted those Resolutions to the General Assembly who in turn passed them on the Senate, who transferred them to the House of Representatives. Mr. Peterson reminded the Committee that the House of Representatives adjourned its session prior to considering said Resolutions. When the House of Representatives resumed its session in October of 2009, the Director Sasse of the Department of Administration and Director Alexander of the Department of Human Services began examining all of the leases to determine where the State could consolidate space. Mr. Peterson noted that he is happy to report to the Committee that the Department moving out of premises located in Pawtucket at a saving to the State for the current rent of \$499,000 per year. The staff

from the Pawtucket Regional Office is being divided between an existing lease in Woonsocket at the DHS building and the 101 Friendship Street building, which has been reconfigured to accommodate the additional staff. Mr. Peterson noted that with regard to the North Kingstown lease, the Department has agreed to relocate that office to the Governor Steadman Building once the Division of Capitol Projects works out the details. *This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Children, Youth and Families.*

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:58 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary
State Properties Committee

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, APRIL 27, 2010

The meeting of the State Properties Committee was called to order at 10:07 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; John A. Pagliarini, Jr., Public Member; and Xaykham Khamsyvovong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; Michael Sligar from the Rhode Island Office of the General Treasurer; Director W. Michael Sullivan, John Faltus, Lisa Primiano, Mary E. Kay, Steven Wright, Robert Paquette, Terri Bisson and Russell Chateaufeuf from the Rhode Island Department of Environmental Management; Richard Kalunian and Colleen Kerr from the Rhode Island Department of Transportation; John Ryan from the Rhode Island Department of Administration; Frank DiBiase from the Rhode Island Department of Human Services; and Richard A. Licht from the law firm of Adler, Pollock and Sheehan.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meeting of April 13, 2010, by Mr. Woolley, as amended, and seconded by Mr. Griffith.

Passed Unanimously

ITEM A – Department of Human Services – A request was made for permission to initiate negotiations for the renewal of the Lease Agreement by and between the Department of Human Services and 57 Associates, LP for the premises located at 77 Dorrance Street in the City of Providence. Mr. Ryan indicated that the Department is before the Committee seeking permission to exercise the existing option for an additional five (5) year term. Mr. Ryan noted that if the renewal of the Lease Agreement in its final form is approved by the State Properties Committee, it will then have to be presented as a Resolution to the General Assembly for consideration as said Lease Agreement is for a term of five (5) years with a rental fee which exceeds \$500,000 per year. Mr. Ryan indicated that the Department is hopeful that it will return to the State Properties Committee in the very near future together with the Resolution. Chairman Flynn asked what the current rental fee for the subject premises is. Mr. Ryan indicated that the current rental fee is \$13.00 per square foot. The landlord has indicated that he is willing to renew the Lease Agreement under the same terms and conditions and complete some minor renovations at the request of the Department. Chairman Flynn asked how much space the Department will be leasing. Mr. Ryan indicated that two (2) years ago, the Department was leasing 37,925 square feet of office space at this location; however, due to the vast number of personnel that has since retired from this agency, the lease space has been reduced to 25, 812 square feet. Mr. Ryan indicated that the landlord, Mr. Paolino, was not only very accommodating relative to the adjustment in square footage, but he also challenged the City of Providence as to its tax assessment of the property and was successful relative to said litigation. As result of this success, Mr. Paolino issued a rebate check to the Department for its proportionate share of the increase in taxes, which Mr.

Ryan indicated is an exceptionally rare gesture on the part of a landlord. Mr. Ryan stated that the State has enjoyed a very cordial relationship with Mr. Paolino over the years. Chairman Flynn asked Mr. DiBiase to explain why it is so important for this particular agency to be located in the Down City area. Mr. DiBiase explained that Child Support Services is charged with the task of prosecuting child support claims in Family Court, which includes establishing, enforcing and modifying child support orders. The Providence Family Court is located within the Garrahy Judicial Complex, which is located very near the leased premises. Mr. DiBiase explained that there are many occasions that require the attorneys to access information or files kept at the office on a moments notice in order to provide requested documents to the Court. The close proximity of the agency to the Courthouse makes the present location ideal in this regard. Mr. DiBiase echoed Mr. Ryan's statement concerning the number of employees that have recently retired and the agencies ability to reduce the amount of leased office space. Mr. DiBiase stated that the agency once employed approximately 100 employees however the staff presently consists of only 64 employees. Mr. DiBiase indicated that initially the leased premises comprised both the 77 Dorrance Street building and the 110 Eddy Street building, which are conjoined by an atrium; however, due to the reduction in staff, the agency was able to sever the 110 Eddy Street building as it simply did not require that additional space. Mr. Pagliarini noted that there is approximately 1.5 million square feet of vacant office space currently available in the City of Providence. Mr. Pagliarini asked whether, in the current economic climate, the Department investigated the possibility of alternative, suitable space that may be less costly or whether the Department chose to renew the Lease Agreement for the same space. Mr. Ryan explained that the Department

had an option to renew the current premises and given the costs associated with relocating an agency, especially an agency with such specific needs in terms of location and equipment, the Department felt that at this point in time it would be more cost effective and fiscally prudent to remain at the current location. Mr. Ryan indicated that prior to the expiration of the five (5) year renewal, the Department may consider moving to a location, possibly closer to the Courthouse, but for now, in the current economic climate, the Department believes it is wise to exercise its option to renew. Mr. Pagliarini assumed from the response, that the answer to his question is no, that the Agency did not investigate other options. Mr. DiBiase indicated that last year there was some consideration given to perhaps moving the agency to the Pastore Complex located in Cranston; however, after examining that State-owned space, it was determined that cost of the necessary renovations would outweigh the benefit. Mr. DiBiase explained that as the two thirds of the agency's funding comes from the federal government and includes Internal Revenue Service documentation, they are rather fastidious about the level of necessary security sustained at the facility. In order to comply with the federal regulations, the Pastore location would have required a tremendous investment in order to properly renovate the premises, which actually would have been cost prohibitive at the time. Therefore, it was determined that a renewal of the existing Lease Agreement was the more sensible option. Mr. Woolley commented that relocating this agency to the Pastore Complex seems to defeat the purpose of being in close proximity to the courthouse as well as the clients the agency serves. Mr. DiBiase stated that the agency would much prefer to remain Down City for that reason. Mr. Pagliarini asked how many parking spaces are provided under the Lease Agreement. Mr. Ryan explained that

parking was initially included in the Lease Agreement; however, the employees were very dissatisfied with the parking arrangements provided by the landlord so it was decided that employee parking would be moved to the Convention Center parking garage. Mr. Ryan indicated that employee parking is no longer a component of the subject Lease Agreement. Mr. Pagliarini asked how much the State is paying for the employee parking at the Convention Center parking garage. Mr. Ryan stated that he believes the cost is approximately one hundred (\$100.00) dollars per space, per month. Mr. Pagliarini asked how many employees utilize said parking. Mr. DiBiase stated that between 60 and 65 parking spaces are allotted for use by the agency. Mr. Pagliarini noted that in addition to the rental fee, the State is incurring an annual \$80,000 expense for employee parking. Mr. Ryan indicated that is correct. Mr. Pagliarini asked where the clients park. Mr. Pagliarini indicated that the clients either take public transportation or find parking on the street nearby. Chairman Flynn asked in the event the Department's request is approved, when the Lease Agreement will come back to the Committee. Mr. Ryan indicated the Department hopes to return as soon as the next scheduled meeting. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley. Said motion passed three (3) votes "Aye" to one (1) vote "Nay"

Three (3) Votes "Aye"

Mr. Woolley
Mr. Griffith
Chairman Flynn

One (1) Vote "Nay"

Mr. Pagliarini

ITEM B – Department of Human Services – A request was made for approval of a Lease Agreement by and between Brookwood Middletown Tech, LLC and the Department of Human Services for office space located at 76 Hammarlund Way in the Town of Middletown and a request for a Certificate of Chairman of the State Properties Committee be forwarded to General Assembly. *Item B is deferred to a future meeting of the State Properties Committee at the request of the Department of Human Services.*

ITEM C – Department of Education – A request for approval of a Purchase and Sale Agreement by and between The Housing Authority of the City of Newport and the Department of Education for property located at 1 York Street in the City of Newport, which will house the expanded East Bay Met School. *Item C is deferred to a future meeting of the State Properties Committee at the request of the Department of Education.*

Chairman Flynn stated that as Director Sullivan has arrived the Committee will hear the matters he is here to present out of sequence in order to accommodate his schedule.

ITEM K – Department of Environmental Management – A request was made for approval to advertise a Request for Proposals to solicit bids for a potential developer/operator of a parking garage facility to be located at Lots 96 and 117 in the Port of Galilee, Town of Narragansett. Director Sullivan explained that this request is an attempt by the Department to become more proactive in seeking value for the land that it manages. Director Sullivan stated that this area is a designated parking area, where there is parking on the ground only and parking is a premium within the Port of Galilee. Director Sullivan noted that within both the Port of Galilee Planning Board and the community, there is a constant tension due to the lack of available parking. Director

Sullivan explained that the Department is seeking the approval of the Committee to reach out to the private sector to determine whether there are potential partners available to the State that may wish to design, build, fund and operate a parking garage to expand parking without the image of parking within the Port of Galilee. Director Sullivan stated that all of this would be done under the rules agreed to by the Department, the State and the Town. Director Sullivan indicated that there is already a pre-approval for a structure of up to forty (40') feet in height. Chairman Flynn asked whether the Department plans to construct just a parking garage or does the Department anticipate that there will be any retail activity on the site. Director Sullivan indicated that the Department owns, on behalf of the State, the abutting property immediately to the north of the subject property, which is currently under lease. Director Sullivan speaking on behalf of the Department's staff, the Town and himself, indicated that the preference is that the focus of this project be parking and public accommodations in terms of public access and comfort facilities to the exclusion of all else. The layout of the property including the portion where the Department's service building is located is an ideal site to create a more vibrant portal for the people using the Block Island Ferry. They would be able to drop passengers off at the edge and continue into the parking garage. The Department is hoping to see the structure be used to support the commercial fishing industry during the non-tourist season. Director Sullivan stated that the vision is to provide a location where tarps can be hung to create a more sheltered environment where a fisherman could repair fishing nets, fix boat parts, store boats and other equipment. The Department hopes that any potential bidder would be receptive to the Department's desire to that kind of mixed use. Chairman Flynn mentioned that the Department's submission memorandum indicates that the Department

has been working with the Town of Narragansett in terms of whatever local requirements are associated with the site. Mr. Woolley stated that he is in a rather unique and awkward position as he is a resident of Block Island and a patron of the subject parking lot. Mr. Woolley explained that said parking lot, as it currently exists, with seasonal passes made available to Block Island residents, is virtually their lifeline to the mainland. Many residents have cars that they leave in the lot and take the ferry because you can not make reservations for transporting automobiles; not to mention it is prohibitively expensive even if you could. Mr. Woolley indicated that he intended to recuse himself from voting relative to this item, because of his personal interest concerning the request. Mr. Woolley noted that he asked his colleague, Genevieve Allaire-Johnson, to review the document; however, she is not in work today and she just received said document yesterday. Mr. Woolley indicated that he has several concerns in terms of whether the Town of New Shoreham is going to be involved in any of the discussions regarding this proposal as it will certainly have a significant impact on the residents who live on Block Island year-round and others who rely on this parking lot as their connection to the mainland. Director Sullivan indicated that with all due respect, Department staff has of late made frequent visits to the Island discussing its fishing, hunting and other rules and there is certainly an awareness of this proposal among the residents and he does not believe there will be anything other than an interim inconvenience to the residents of the Island. Said inconvenience will be during the construction phase and the Department will be investigating alternative parking sites for the residents at that point. Director Sullivan stated that he believes the long-term plan of the Department is to respect the relationship with the Island's residents who utilize the facility and this concern is certainly made a

part of any discussions with all potential vendors. Director Sullivan stated that beyond that, the Department will be happy to engage in a more formal way with the Island community. The Department does not anticipate that this proposal will expand activity on the Island; its hope is that this facility will help to consolidate parking to a single location or at least fewer facilities so that the land now used as perimeter parking can be dedicated fully to the intended use, by statute, which is in support of the commercial fleet. Mr. Woolley indicated that it is his understanding that some of the surrounding land being utilized as additional parking lots, was not intended to be used for surface parking. Director Sullivan indicated that Mr. Woolley is correct and noted that the Department's goal is to accommodate approximately the same amount parking spaces currently available, but to do so by allocating parking to a single facility that has multiple uses, which will hopefully reduce the number of 'flag waiving' parking lot attendants presently located in the area. Mr. Woolley noted that those 'flag waiving' businesses are gouging the tourist by charging an exorbitant amount of money for parking. Director Sullivan indicated that he has also noticed this practice and has spoken to the EZ Pass folks for assistance with ideas about how to clean up the image as well as improving performance. Mr. Woolley stated that he did not see any language in the documents regarding the Department having any type of control over the rates that are charged for parking in the proposed facility or any provision addressing seasonal passes. Director Sullivan indicated if the documents do not address those issues than it is an oversight that will be addressed immediately. Director Sullivan stated that the intent of the Department is to maintain that control and believes that said language is contained somewhere within the document; however, he will speak to legal counsel with regard to both issues. Mr.

Woolley asked if this proposal would affect the 2010 season. Director Sullivan indicated that it will not affect the upcoming season. Mr. Woolley indicated that he would feel better if Ms. Allaire-Johnson was given an opportunity to review the documents prior to the Committee proceeding with a vote regarding this request. Mr. Pagliarini asked what the projected number of parking spaces for this facility. Mr. Dias stated that the projected maximum number of parking spaces is 365±. Mr. Pagliarini asked what the proposed number of floors is. Director Sullivan indicated that the garage can consist of as many as four (4) floors. A motion was made to approve by Mr. Pagliarini subject to review and approval of the Request for Proposals by Genevieve Allaire-Johnson of the Department of Attorney General. Said motion was seconded by Mr. Griffith and passed three (3) votes “Aye” with one abstention.

Three (3) Votes “Aye”

Mr. Griffith
Mr. Pagliarini
Chairman Flynn

One (1) Abstention

Mr. Woolley

ITEM L – Department of Environmental Management – A request was made for approval of a Memorandum of Agreement for a short-term Lease Agreement by and between the Department of Corrections and the Department of Environmental Management for 7,200 square feet of space for use as a temporary warehouse facility. Director Sullivan explained that the Department, like many residents of the Pawtuxet River Valley, experienced extremely severe flooding at its Pawtuxet Valley Depot warehouse in the City of Cranston. Director Sullivan indicated that as a result of said

flooding the Department has suffered a complete loss of use of the warehouse. Mr. Dias provided photographs, which clearly illustrated the severity of the flood for the Committee's review. Director Sullivan stated Director Wall of the Department of Corrections has a facility comprising approximately 7,200 square feet, which is in its final stages of construction. Director Sullivan indicated that the Department has been attempting to relocate from Pawtuxet Valley warehouse for many years as it is on the flood plain. Director Sullivan indicated that as a result of the flooding, the Department has incurred between \$350,000 and \$400,000 dollars worth of damage. As the 2010 summer season quickly approaches, the Department needs a dry facility to work from in order store to store and distribute necessary supplies. Director Sullivan stated that for a nominal fee of one (\$1.00) dollar per year, the Department of Correction is prepared to allow the Department to utilize this facility. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on the License Agreement by and between the Department of Environmental Management and the Newport Rugby Club to allow the Club to hold various events and activities at Fort Adams State Park during the 2010 season. Mr. Faltus noted that this is a annual request, but unfortunately, was received too late to be presented with the other License Agreements, which were approved at the April 13, 2010, State Properties Committee meeting. Mr. Faltus stated that the Newport Rugby Club has annual insurance in place, which includes host liquor liability insurance coverage. However, said insurance is due to expire on May 14, 2010; therefore, Mr. Faltus

requested that, if possible, the Committee approve the License Agreement subject to the submission of the updated Certificate of Insurance. Mr. Faltus noted that there have been no problems associated with the Club's compliance with the terms and conditions of the License Agreement in the past. A motion was made to approve by Mr. Griffith subject to the submission of an updated Certificate of Insurance. Said motion was seconded by Mr. Woolley.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement to allow Eident Sports Marketing to utilize a portion of the East Bay Bicycle Path from First Street in the City of East Providence to West Street in the Town of Barrington on Sunday, May 2, 2010. Mr. Faltus explained that this is the third year that the Department has been approached by Eident Sports Marketing for use of the above-referenced property. Mr. Faltus stated that there have been no problems associated with this event. One of the terms of the License Agreement is that the Bicycle Path remains open to the public. Eident Sports Marketing pays a \$500.00 usage fee and compensates the Department for any personnel costs. Mr. Faltus indicated that the appropriate Certificate of Insurance has been submitted to the Department and Eident Sports Marketing has obtained approval from the municipalities in terms of the race route. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for conceptual approval to survey, title search and negotiate the purchase of a Conservation

Easement over 42 acres of land located along Stubtown Road in the Town of Hopkinton. Ms. Primiano presented a map, which illustrated the exact location of the subject property for the Committee's review. Ms. Primiano noted that the purchase of the Conservation Easement would provide a connection between the Canonchet Brook Preserve and the Rockville Management Area. Ms. Primiano indicated that the Department will utilize earmarked funds from the Federal Highway Enhancement Program. Ms. Primiano indicated that the Department will work with The Nature Conservancy in terms of the acquisition and management of the subject property. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for conceptual approval to appraise, survey, title search and negotiate the purchase of approximately 86 acres of land located along Gilbert Stuart Road in the Town of North Kingstown; known as the Girl Scouts Property. Ms. Primiano stated that the Girl Scouts previously utilized the subject property for the operation of a summer camp. The property is located within the Narrow River Watershed and very near Rum Point. The Girls Scouts approached the Department and The Nature Conservancy regarding a possible sale of the property. Ms. Primiano indicated that the Department, The Nature Conservancy, the Town of North Kingstown and the Down River Land Trust formed a partnership for the acquisition of the property. Due to the location of the property it is anticipated that there is quite a bit of public access available at the site. The Department's funding source for said acquisition is the U.S. Fish and Wildlife grant

referred to as the State Wildlife Incentive Program. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 17.5 acres of land located along Pontiac Avenue and Marine Drive in the City of Cranston; known as the Cullion Concrete Property. Director Sullivan indicated that several years ago, the Mayor of Cranston, at that time, approached the Department of Environmental Management about collaborating with the City of Cranston to protect this particular property from being developed. At that time, the Department agreed to allow the City, upon its written request, to transfer a property award from one property to the subject property. Director Sullivan indicated that through subsequent Mayors and administrations, the Department is seeking the Committee’s approval of the Conservation Easement for the State’s investment in a local open space grant in the amount of \$260,000±. Director Sullivan indicated that the Department does not embrace the purchase price of the subject Conservation Easement with enthusiasm; however, it is an endeavor to continue to work with the community to provide it with some assistance. Director Sullivan noted that the State’s contribution toward this acquisition has not changed and the funding was actually approved in the past for another property, which is no longer eligible for purchase in accordance with the provisions of the program. Ms. Kay stated that in connection with the issuance of the wetlands permit for the subject property, a lawsuit was filed against the Department of Environmental Management; however, as part of the closing of the grant and the State’s contribution toward the acquisition of the Conservation Easement,

one of the conditions of said contribution is that any and all pending lawsuits against the Department of Environmental Management and/or the State of Rhode Island relative to said permit be dismissed forthwith. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith. Said motion was made subject to the dismissal of any and all pending litigation. The motion passed three (3) votes “Aye” to one (1) vote “Nay.”

Three (3) Votes “Aye”

Mr. Woolley
Mr. Griffith
Mr. Pagliarini

One (1) Vote “Nay”

Chairman Flynn

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract by and between Leslie C. and Bernice E. Tefft *and* the Department of Environmental Management for the purchase of ten (10) acres of land located along Grantville Extension in the Town of Hopkinton; known as the Tefft Property. Ms. Primiano indicated that this acquisition is an additional river frontage protection project. The public currently utilizes the subject property for fishing access. The Department of Environmental Management had the property appraised as a single house lot and the landowners have agreed to accept slightly less than that of a full house lot for the property. Ms. Primiano stated that the Department’s funding will come primarily from the open space bond with a small amount of the funding being derived through the Department’s fishing license fees. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over fifteen (15) acres of land located at 40 Bank Street in the Town of Coventry; known of the Blais Property.

Director Sullivan indicated that the Department considers this acquisition a very simple process. In this case, the Department was asked to acquire the easement rather than the local land trust for reasons only known to the property-owners. The subject property is a large parcel, which abuts the two rivers. Director Sullivan noted that in exchange for the Conservation Easement, the property-owners agree to construct no more than three (3) houses, which will be centrally located on the property and away from the rivers.

Director Sullivan stated that this acquisition represents a public benefit which will provide superior protection of the rivers and systems. Director Sullivan noted that there is no cost to the Department, it is merely accepting an easement and in turn becoming the holder of the easement. Chairman Flynn clarified the exact location of the potential house lots. Chairman Flynn asked how much of the area encumbered by the Conservation Easement is regulated by wetlands. Mr. Chateaufeuf stated that twelve (12) of the fifteen (15) acres of property is regulated by wetlands. Chairman Flynn asked who the abutting property owners are. Director Sullivan indicated that all of the abutting property is owned by members of the Blais family. Chairman Flynn noted that it is his understanding that only one (1) lot currently has a house on it. Director Sullivan explained that there was an existing house until the early 1970s; however, there is now a pending application for construction on a similar footprint, but not on an identical one. Director Sullivan noted that the current proposed site is further away from the river than the site of the original house. Mr. Pagliarini asked if there are any existing wetlands on

the current proposed construction site. Mr. Chateaufeuf stated that there is a small wetlands area on said portion of the property. Mr. Pagliarini asked if the Department conducted any type of internal appraisal relative to the fair market value of the fifteen (15) acres of land. Director Sullivan stated that the Department did not conduct an appraisal of the subject property; he noted that would be left up to Mr. Blais and his tax advisor. Mr. Pagliarini questioned why the Mr. Blais would grant the Department a gratis Conservation Easement over the subject property. Ms. Kay indicated that the Department conducted an analysis of the value of the habitat and wetlands, which are being preserved as a result of this transaction versus a standard subdivision. Therefore, said analysis relates more to the value of the resultant land protection and the wetlands rather than an economic value. Mr. Chateaufeuf explained that the transaction related to the specific location upon which Mr. Blais wishes to construct a home. Mr. Chateaufeuf stated that a portion of that site is within the two hundred (200') foot riverbank set back, which is jurisdictional wetlands by law; however, Mr. Chateaufeuf indicated that there is some disturbances in the area already left from the original house. Mr. Chateaufeuf indicated that the purpose of the transaction relates to the interest of Mr. Blais to construct a house on said location. Mr. Blais could have chosen to construct the house outside of the area and not have provided any sort of Easement; however, he very much wishes to construct a house upon the subject site. Mr. Pagliarini noted that he has concerns regarding what value is placed upon that portion of the property as he personally would like to place a restriction on the deed that stipulates that no value be attached for purposes of an Internal Revenue Service donation. Mr. Pagliarini stated that he is concerned that the Conservation Easement is a two hundred thousand (\$200,000)

tax deduction and questions why it is being donated to the State of Rhode Island.

Director Sullivan explained that the discussions between the Department and Mr. Blais related to his wishes and the Department's rules. Initially, Mr. Blais sought to construct a house on the footprint of the preexisting house; however, that is not allowed under the rules which have been adopted since the construction of the original house, without the necessity of a much more formal process. Director Sullivan indicated that there were subsequent negotiations that weighed the problems associated with Mr. Blais' wishes against any benefits realized by the preservation of this particular property. Director Sullivan represented that there is a natural resource value here that would not be realized under a standard subdivision in terms of the river set back. The preservation of the property has value in terms of natural resources. Director Sullivan stated that Mr. Blais is reducing the number of potentially buildable lots from a six (6) or seven (7) lot subdivision and possibly more depending upon what the Town would allow to only three (3) lots. The Department is merely accommodating the protective covenant on rivers in the wetland systems. Director Sullivan stated that to a certain extent the State of Rhode Island is receiving the Conservation Easement because Mr. Blais did not consider the local land trust a viable option. Director Sullivan indicated that Mr. Blais' personal preference was to deal with the State rather than with the local land trust. Mr. Pagliarini asked if 7 Indiana Avenue has frontage on Centipede Road. Mr. Chateaufeuf indicated that the Blais property in total extends out to Centipede Road. Ms. Kay noted that quite often during the permitting process, if other land is available for a buffer or conservation easement, particularly along a river, an enhance value is obtained. Ms. Kay stated that whenever the Department receives a conservation easement, even when a value is paid,

the grantor is completely on their own relative to the Internal Revenue Service. The Department has absolutely nothing to do with those proceedings. The Department does not execute anything relative to values and the grantor is solely responsible to commission their own appraisals. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for final approval to award a Concession Agreement to Burdick & Sons Company, LLC to operate Camp Pastore located on Kings Factory Road in the Town of Charlestown. Ms. Bisson noted that the Department appeared before Committee in January 2010, seeking permission to issue a Request for Proposals (“RFP”) to solicit bids for a vendor to operate Camp Pastore on the Department’s behalf. The Division of Purchases issued said RFP and on April 2, 2010, the Department received one response from Burdick & Sons Company, LLC. Personnel from the Department’s Division of Parks and Recreation reviewed said bid and was satisfied that it met the specifications and desires of the Department, which included the enhancement of public recreation and to provide additional revenue resources to the State of Rhode Island. Ms. Bisson stated that the Department is back before the Committee seeking approval to enter into a Concession Agreement with Burdick & Sons Company, LLC to operate the Camp Pastore facility for weddings, workshops, special events and day camps. Under the terms of the Concession Agreement, the concessionaire will pay \$2,500 together with one half of seventeen (17%) percent of the first annual revenue to the State of Rhode Island. Thereafter, the concessionaire will complete \$2,500 worth of repairs and improvements to the facility

and one half of seventeen (17%) percent of gross sales each year. The Concession Agreement is for a term of five (5) years, with one (1) option to renew for an additional five (5) years. The Concession Agreement also requires the concessionaire to carry liability insurance coverage in an amount dictated by Kevin Carvalho of the State's Risk Management. As part of the Burdick and Sons Company's proposal, they agreed to make significant repairs to the facility within the first year of operation in addition to the required \$2,500 worth of repairs and improvements. There are some initial improvements they wish to make to the property. Both the Department and the Concessionaire are seeking the Committee's approval so that arrangements can be made for Burdick & Sons Company to work with Perspectives, Inc., which as the Committee will recall has operated a summer camp for the developmentally disabled for several years. Chairman Flynn asked if it is expected that Perspectives' clientele will continue to utilize this camp under the Concession Agreement. Ms. Bission indicated that it is not an expected arrangement, but the parties have discussed the possibility of an agreement between them to work together to make the Perspective Camp operational for the coming season if Burdick & Sons can successfully formalize the subject Concession Agreement. Mr. Pagliarini asked how much the Department charged Perspectives for use of the property and facility for its summer camp. Ms. Bisson indicated that a nominal fee of \$1.00 per year was paid by Perspectives. Mr. Pagliarini noted that previously Ms. Bisson stated that the facility would be utilized for weddings, workshops, special events and day camps and asked if the current fire suppression system is satisfactory for that sort of use. Mr. Paquette indicated that the current fire suppression system is not up to code for that type of use. Mr. Paquette stated that the concessionaire will be solely responsible for said

renovation. It is Mr. Pagliarini's understanding that the concessionaire agreed to make repairs and improvement up to \$2,500 per year. Ms. Bisson reminded Mr. Pagliarini that the concessionaire also agreed to make substantial repairs and improvements to the facility to bring it up to code prior to commencing operation of the camp. Mr. Pagliarini questioned whether he will be amenable to expending upwards of \$50,000 to purchase and install a fire suppression system to bring the facility up to code. Mr. Parquette indicated that the structure itself is in rough condition and the Department has been out to the site many times and has taken a complete inventory of the necessary repairs and improvements. For that reason, the Department has included requirements for much of this work to be done during the first year of the Agreement. Mr. Parquette stated that the facility is an open-air structure so he believes that Burdick & Sons will be able to satisfy the necessary requirements to bring the structure up to code. Mr. Pagliarini asked if the Concession Agreement contains language that would allow either party to rescind their decision to participate in said Agreement if the cost of any and all necessary improvements to bring the structure up to code were underestimated and/or misunderstood by either party. Mr. Parquette indicated that said language could certainly be included within the Agreement. Mr. Woolley stated that Article 11 of the Agreement states that the concessionaire will be required to comply with any and all ordinances and state laws governing this recreational facility. Mr. Woolley stated said language is broad enough to ensure that the cost and completion of any necessary improvements to bring this facility up to code are solely the responsibility of the concessionaire. A motion was made to approve by Mr. Pagliarini subject to the Department of Environmental

Management receiving a certificate of occupancy prior to either party's execution of the Concession Agreement. Said motion was seconded by Mr. Woolley.

Passed Unanimously

N – Department of Transportation – A request was made for approval to proceed with the acquisition of land and easements, as revised, by virtue of Condemnation Plats 2724 and 2584 in the Town of Coventry. Ms. Kerr explained that the Department is going to record Condemnation Plats 2724 and 2584 and wishes to bring to the attention of the Committee that there have been three (3) area square footage changes due to some design changes as well as a few changes in terms of the property owners names because of said modifications. Ms. Kerr respectfully requested the approval of the Committee to proceed with the recording of Condemnation Plats 2724 and 2584. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion to enter Executive Session was made by Mr. Griffith and seconded by Mr. Pagliarini. A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye", Mr. Pagliarini voted "Aye", Mr. Woolley voted "Aye" and Chairman Flynn voted "Aye".

The Committee returned to the open session of the State Properties Committee meeting at 11:20 a.m.

ITEM E1 – Department of Transportation – A request was made for approval of and signatures on a Temporary Easement Agreement with the Town of Barrington in connection with the reconstruction of the Barrington Bridge No. 123. After discussion in Executive Session, a motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:20 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, APRIL 13, 2010

The meeting of the State Properties Committee was called to order at 10:08 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members; and Xaykham Khamsyvovong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Rachel Goldstein from the Rhode Island Office of the General Treasurer; John Faltus and Michelle Sheehan from the Rhode Island Department of Environmental Management; Director Michael P. Lewis, Paul Carcieri, William McCarthy and Steven Devine from the Rhode Island Department of Transportation; Michael D. Mitchell, Jared Rhodes, Kevin Nelson and Karen Scott from the Rhode Island Department of Administration; and Edward Butler from the Federal Highway Administration; Philip Marcelo from the Providence Journal; David Riley and numerous representatives from various community organizations.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Environmental Management – A request was made for approval of and signature on the annual License Agreements by and between the Department of Environmental Management and Sail Newport, Inc.; The Fort Adams

Foundation/Trust and The Museum of Yachting for various events and activities held by these organizations in 2010, at Fort Adams State Park with Authorization to Serve Alcoholic Beverages. Mr. Faltus explained that these are annual requests received by the Department from the aforementioned organizations to operate out of Fort Adams State Park in the City of Newport for the various regattas and events, which they wish to hold during the 2010 season, with Authorization to Serve Alcoholic Beverages. Mr. Faltus stated that each of the organizations have annual insurance policies, which includes host liquor liability coverage. Mr. Faltus indicated that the Fort Adams Foundation/Trust's insurance was just renewed in January 2010; Sail Newport, Inc.'s insurance is due to be renewed on May 7, 2010; and The Museum of Yachting's insurance is due to be renewed on June 19, 2010. Mr. Faltus requested that the License Agreements be approved subject to the renewal of the necessary insurance policies and providing the Department with a Certificate of Insurance for the upcoming season. A motion was made to approve subject to the renewal of the necessary insurance policies and the organizations providing the Department with an appropriate Certificate of Insurance by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a Recreation Easement by and between the Town of South Kingstown and the Department of Environmental Management over approximately 4.14 acres of land located along St. Dominic Road in the Town of South Kingstown; known as the Dominic Savio Property. Ms. Sheehan provided a map of the subject property for the Committee's review. Ms. Sheehan explained that said property is the final piece of the

Greenway. The bike path will be extended throughout the Greenway and end at this recreational facility. The Town of South Kingstown plans to place a soccer field on the easement and construct some indoor recreational facilities adjacent to the easement area in the future. Ms. Sheehan explained that the Department will contribute \$250,000 through a local recreation grant in exchange for said Recreation Easement. Chairman Flynn asked if Ms. Sheehan had any insight as to why the purchase price of a relatively small parcel of land was so high. Ms. Sheehan stated that the Town of South Kingstown purchased a total of 13.5 acres of land for \$700,000, however, the Department's contribution of \$250,000 in exchange for the Recreation Easement represents less than fifty (50%) percent of the appraised value. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM C – Department of Environmental Management – A request was made for conceptual approval to appraise, survey, title search and negotiate the purchase of one hundred eighty (180) acres of land located along Buck Hill Road in the Town of Burrillville; known as the Boy Scouts Property. Ms. Sheehan presented a map, which illustrated the location of the subject property. Ms. Sheehan stated that the property is located on the Connecticut border in the Town of Burrillville; just south of the Buck Hill Management Area. The subject property has been on the Department's radar for many years as being an extremely important habitat. Ms. Sheehan explained that the Department is currently working with the Boy Scouts to acquire the property. The Department is also pursuing federal funding from the State of Rhode Island Wildlife Incentive Grant through the United States Fish and Wildlife Service. Mr. Pagliarini

asked if the Boy Scouts have any interest in the property in terms of retaining a camp there. Ms. Sheehan indicated that there are no existing camp facilities on the property; the land is vacant. The Boy Scouts only use said property for occasional daytrips from their camp facility, which located to the south of the subject property. Mr. Kay asked if the property will be appraised as a residential property. Ms. Sheehan indicated that land will be appraised as residential property. A motion to by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for conceptual approval to appraise, survey, title search and negotiate the purchase of agricultural development rights over thirty (30) acres of land located along Plainfield Pike in the Town of Johnston; known as the Pezza Property. Ms. Sheehan provided a map illustrating the location of the subject property. Ms. Sheehan explained that the property is located within an agricultural zone adjacent to Salisbury Farms. The subject property is also located adjacent to Ring Rose Farm, which is being utilized by Southside Community Land Trust and has been renamed the Urban Edge Farm. The farm consisting of thirty (30) acres of land is actively in production and produces vegetables and flowers for market, as well as silage, Herefords and chickens. Ms. Sheehan indicated that the farm is also a successful agricultural tourism site, which includes a petting zoo and hay-rides. The Department has applied to the U.S.D.A.'s Farm and Ranchland Protection Program for federal funding and The Nature Conservancy will also be partnering with the Department relative to this acquisition. Mr. Pagliarini noted that the Department acquired Development Rights over the Salisbury Property for a purchase

price of \$1,000,000 last year and asked if the Department anticipates the subject property's value will be approximately the same. Ms. Sheehan explained that the because Salisbury Farm is located on a corner lot and includes a lovely old farm house, the Department senses that the appraised value of the Pezza Farm, which is located directly on Plainfield Pike and does not include any such improvements will be significantly less than the Salisbury Property. Chairman Flynn asked what the sources of funding are for said acquisition. Ms. Sheehan indicated funding would come from a combination of sources including the U.S.D.A.'s Farm and Ranchland Protection Program, The Nature Conservancy, through the Champlin Foundation and the Agricultural Land and Preservation Commission. Mr. Kay asked how much of the funding will come from the federal grant. Ms. Sheehan explained that the Department has applied for \$425,000, based upon a preliminary assessment of the value of the property. A motion was made for approval by Mr. Griffith and seconded by Mr. Kay. Motion passed four (4) votes "Aye" to one (1) vote "Nay."

Four (4) Votes "Aye"

Mr. Woolley
Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Vote "Nay"

Mr. Pagliarini

ITEM E – Department of Environmental Management – A request for approval of and signatures on a Settlement Agreement and First Amendment of Lease for Lot 230A in the Port of Galilee by and between Department of Environmental Management and

Deep Sea Holdings, Inc. *This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.*

ITEM F – Department of Transportation – A request was made for approval to dispose of 73,436 square feet of excess State-owned property located at 25 India Street in the City of Providence. Director Lewis indicated that he would provide a brief summary of the request before the State Properties Committee (the “Committee”). Director Lewis stated that the subject property is the remnant of a parcel of land, which was purchased by the Department of Transportation (the “Department”) using federal funds back in 1998, as it was integral to the construction of the Iway Project. The parcel was needed for the new alignment of the Iway on the east side of the river. The portion of said parcel, which was not permanently needed for the Iway, was utilized for construction lay down. Director Lewis explained that the Agreement with the Federal Highway Administration (“Federal Highway”) to purchase the property was contingent upon the condition that the excess land would be sold at fair market value when it was no longer needed for highway purposes. Director Lewis stated that this has been the Department’s plan since the inception of the Iway Project and certainly the plan since his appointment as Director two years ago. Director Lewis stated that the Department recognizes that there is a great deal of interest within the community relative to this parcel and the Department respects that interest and has been working with and consulting representatives of the community and the City regarding their plans and desires for the subject property. Director Lewis stated that the Department continues to be very mindful of those interests; however, the Department also has an obligation to the federal government to dispose of the property. Director Lewis explained that one of the reasons

for the disposal of the property is that the financing of the Iway Project included revenues from the sale of land for the actual financing of the project. The requirement to reimburse the federal government is in the finance plan, which is submitted annually from the Department to the federal government. Therefore, the Department is required to fulfill said obligation to Federal Highway. Director Lewis explained that the request before the Committee is a step in the process to fulfill the Department's obligations. The Department's request is to allow it to proceed with a Request for Proposals ("RFP") to assess how much actual interest exists relative to this parcel. Director Lewis stated that the RFP will not be limited to private bidders; it can include public interest and public/private partnerships. The Department will be explicit in the final version of the RFP and that the Department is amenable to many types of bid proposals. Based upon its commitment to Federal Highway, the Department is required to obtain fair market value for the property. Additionally, some issues have been raised with regard to the role of the Rhode Island Historical Preservation and Heritage Commission (the "Historical Commission".) Director Lewis noted that as the Committee may be aware, there is a Memorandum of Agreement ("MOA") between the Department, Federal Highway, the City of Providence, the Historical Commission and the Blackstone Valley Corridor Commission, which states that the disposal of land on Route 195 must be performed in a manner consistent with said MOA. Director Lewis assured the Committee that any final RFP will be consistent with the provisions of that MOA. Director Lewis stated that the Department needs to proceed with the RFP process in order to obtain the proceeds from the sale of the land at this time in accordance with the finance plan for the Iway Project; however, said RFP does not preclude the expressed interests relative to this parcel from

being realized through the said process. With the understanding that the State has an obligation to the Federal Government and Federal Highway wants said obligation to be fulfilled in terms of the repayment of funds relative to this site, Chairman Flynn asked, hypothetically, in the event the property was not sold, how would that impact the existing or potential financial resources of the Department. Director Lewis stated that the State of Rhode Island is a very limited funding model for transportation; there are essentially three (3) sources of funding. Director Lewis stated that by and large, Rhode Island is a federally funded state; all of the Department's capital projects are dependant upon Federal Highway and that which is apportioned to the State, representing the Department's share of the federal gas tax. However, Director Lewis stated that said funds come with strings attached and the most significant being the eighty/twenty 80%/20% percent match: with the State required to contribute the twenty (20%) percent portion. The State has historically utilized general obligation bonds to pay the required twenty (20%) percent and in turn utilizes the gas tax to pay the debt on the general obligation bonds. Director Lewis explained that relative to Iway Project, the debt was issued based upon the anticipated receipt of future federal revenue to satisfy said debt. Therefore, if the Department does not obtain revenue through the sale of the land as identified in the finance plan, the sole source of revenue is the remainder of the Department's capital pool, which would otherwise be utilized for other necessary projects throughout the State. Chairman Flynn asked if the reason this particular property is being disposed of first in a string of properties which will eventually be disposed of is because it is no longer needed for the Iway Project. Mr. Carcieri indicated that is correct and noted that it also has to do with the peculiar taking of the subject property. Mr. Carcieri

indicated that the amount of property acquired was more than the amount presently being proposed for sale. Throughout the project, the Shooter's building and the parcel upon which it sits was not affected by the construction of the Iway. The actual construction of that portion of the Iway took place on other Shooter's associated property. Mr. Carcieri stated that this property was also the first property to be freed from a project obligation. Some areas of the former Shooter's land were used as staging areas and temporary construction headquarters. Mr. Carcieri stated that as the property is no longer needed, it has been freed very early on in the list of properties to be disposed. Director Lewis indicated that he attended a meeting at the Mayor's office last week along with many of the representatives from the India Point Community. The condition of the site was discussed and obviously the longer it remains vacant the more it deteriorates. Another factor in moving forward with the disposition of the Shooter's property is the fact that it is an "attractive nuisance," which the State is responsible for as well as being responsible for any associated liability. Mr. Pagliarini stated that at a previous meeting, the Department indicated that it would cost approximately \$50,000 to demolish the structure and asked if the demolition of the structure is an option being considered in order to alleviate the State of this eyesore and the associated liability. Director Lewis explained that the value of the site is enhanced by the existence of the building due to permitting issues. Mr. Mitchell stated that the Department now has a legal use on the property with the structure in place; however, if the building is removed the presumption is that the legal non-conforming use will be lost. Mr. Pagliarini stated that he takes issue with the Department's claim that it has a legal non-conforming use, because as the property has been vacant for more than a year and one day, he assumes said use has been abandoned.

The Department may have rights with the CRMC with the structure due to its location and proximity to the waterfront; however, in his opinion, legal use on the property has already been lost. Chairman Flynn asked Mr. Butler if he can offer any insight as to Federal Highway's desire to have this property disposed of sooner rather than later. Mr. Butler stated that initially Federal Highway was advised by its Washington office not to allow the acquisition of this property as it is outside the highway corridor and its purchase was not necessary for the construction of the Iway. However, the local office believed that the benefits of acquiring the entire property, constructing the Iway and then selling the remnant property and putting the proceeds back into the project outweighed the opinion of the Washington office; therefore, Federal Highway allowed the State to acquire the property in its entirety. Mr. Butler stated that he does not agree that the sale of this property is subject to the MOA or anything else; this is a special property that Federal Highway allowed in the financing plan because the Iway is a fiscally restrained project and Federal Highway has been waiting since the beginning of 2008, for this property to be sold. Mr. Woolley asked whether anyone has ever formally asked Federal Highway that this specific property be diverted for an alternate public use. Mr. Butler indicated that he has received telephone calls from some of the neighborhood groups about an alternate public use. However, this was a special acquisition not favored by the Washington office and in the future the State of Rhode Island will not be allowed to acquire so much as one square inch of property beyond what is absolutely necessary due to the issues associated with the subject property. Mr. Butler stated that the covenant between the State of Rhode Island and the federal government is that the State was to sell the subject property as soon as it was deemed excess to transportation needs and to

reinvest the proceeds from the sale back into the project; this project is fiscally restrained and the revenue is sorely needed. Mr. Butler stated that there are 7.5 acres of transportation property within the corridor that is being donated for public use. The Federal Highway's position is that the State has an adequate amount of public property around the waterfront. Mr. Woolley stated that he will assume the answer to his question is "no" then. Mr. Carcieri clarified that the Department has made no formal request to Federal Highway that the subject property be diverted for an alternate public use. Mr. Carcieri noted that the RFP before the Committee today is in draft form and during discussions prior to appearing before the Committee today, the Department established that it is amenable to opening up the dimension of a public/private possibility to the property's development and weighing the same into the bid award factors. The draft RFP before the Committee is strictly a money bid; however, the Department is sensitive to the many comments that have been made to the Department regarding the highest and best use of this property and a use of the property that is more conducive to a public benefit. That being said, Mr. Carcieri stated that the Department is willing to revise the RFP to encourage, through weighted valuation criteria, the possibility of an alternate public use. However, in the final assessment of the bids, the evaluation will be predominantly a money bid if that concession is made, but the Department would also factor in a public/private concept. Mr. Kay asked if the property is described as vacant. Mr. Carcieri indicated that the property is described as an improved property with the structure on site, a 1½ acre parcel which includes dockage. Mr. Carcieri indicated that during the course of the pre-bid conferences, perspective bidders will be given a walkthrough and shown the entire property to assure they realize exactly what they will

be bidding on. Mr. Woolley asked what percentage of the overall Iway Project the sale of this particular site represents in terms of revenue. Director Lewis stated that the Iway Project cost approximately \$600,000,020 and according to a previous finance plan the assumed value of the subject property is \$7.5 million dollars; however, the Department believes said valuation is an inflated estimate. Director Lewis indicated that the finance plan currently pending before Federal Highway requires the Department to contribute \$40 million dollars in revenue through the sale of remnant real estate to finance the remainder of the Iway. Therefore, the subject property is a component of the required \$40 million dollar contribution. Director Lewis noted that said figure includes the pending demolition of the existing I-195, which the Department is not able to authorize until the finance plan has been accepted by Federal Highway. Director Lewis indicated that the final street restoration and final park construction are also dependant upon the resolution of this funding component. Mr. Carcieri stated that the Department has not yet appraised the 36 acres of remnant property, which will become available at the completion of the Iway Project. Mr. Carcieri indicated that a preliminary in-house valuation established a dollar amount of between \$60,000,000 and \$80,000,000 relative to said property of which the former Shooter's property will be a part. Mr. Griffith noted that in Mr. Butler's letter dated February 6, 2008, there is a reference to the fact that there was 90% federal funding toward the acquisition price of \$4.8 million dollars; Mr. Griffith asked what the amount of revenue the Department is expected to contribute toward the project in lieu of said sale. Director Lewis stated that although he can not speak for Federal Highway, it is his understanding that the required contribution is the equivalent of the subject property's fair market value. Mr. Griffith assumed that the Department is

not expected to make up the difference between the purchase price and the sale price in the event the sale price is less. Director Lewis reiterated that it is his understanding that the required contribution is the fair market value of the remnant property; that which is not needed for transportation purposes. Mr. Griffith asked if the Department will be required to contribute ninety (90%) percent of the property's fair market value in order to make up for Federal Highways increased funding. Director Lewis indicated that is correct. Mr. Griffith clarified that the additional review will come from monies which are already earmarked for other projects throughout the State. Director Lewis clarified that State bond funds are leveraging funds; therefore, \$1 million dollars in State bonds leverages \$40 million in federal funds and that is what the Department will lose if it does not comply with the requirements of the finance agreement; its ability to leverage federal funds. Mr. Pagliarini noted that Mr. Butler from Federal Highway stated that 7.5 acres of land has been donated from the I-195 property upon which the City of Providence will construct a park. Mr. Pagliarini asked whether as part of the bid process the City of Providence, if it was to answer the RFP, could propose trading the 7.5 acres of land and acknowledge the waterfront parcel as payment or partial payment. Mr. Carcieri explained that the interest to the State in this transaction is certainly revenue to which the Director has eluded; revenue in order to pay the remaining balance of the project so as not to be siphon funds intended for other projects. Mr. Carcieri indicated that although he cannot speak for Federal Highway, he believes that in the absence of a monetary return to the State, the Department would be disinclined to agree to such an arrangement. Mr. Pagliarini suggested that the Department could sell that 7.5 acre parcel of land if the City's valuation was the same as the Department' valuation. Mr. Pagliarini stated that

1.5 acres on the water verses 7.5 acres in Down City seems to him to be a prudent and equitable exchange. Director Lewis indicated that the only caution associated with that arrangement would be that the environmental review and the record of decision issued by Federal Highway assumed certain restoration; therefore, the permitting and the environmental approvals for the entire project took everything into consideration including mitigation and the park's construction in that location is part of the package. Director Lewis stated that such an arrangement could potentially necessitate the reopening of the environmental review process. Mr. Pagliarini indicated that his main objective for asking that particular question is simply to have it included in the record. Additionally, Mr. Pagliarini indicated he has concerns regarding the City of Providence taking title to this property, because as Narragansett owns its own beach, as a resident of East Greenwich, I am prohibited from obtaining a seasonal parking pass or enjoying unrestricted use of the beach. Mr. Pagliarini believes that if the City of Providence were to take title to said property, it may not be open and accessible to individuals who reside beyond the Providence City limits. Director Lewis stated that he is unable to speak to Mr. Pagliarini's concern. Mr. Pagliarini stated that the subject property seems to warrant a State bond referendum, if it is going to be something open to the public and not a City purchase. Mr. Pagliarini stated that in his opinion, the property may benefit the City of Providence; however, thirty-eight other communities will be paying for the property and yet may not be able to freely enjoy the benefit of it. Mr. Pagliarini asked if the title examination has been completed. Mr. Carcieri indicated that the title examination was conducted for the original acquisition of the property. Subsequent to said examination, a cloud on the title was discovered post closing. Said cloud has been remedied and in fact

came before the Committee several months ago; whereby the Department granted a license to a claimant for parking beneath the, so called, 195 garage. Mr. Pagliarini asked if the Department is aware of any other leases agreements relative to the dockage on the marina. Mr. Carcieri indicated that the Department is not aware of any such lease; none have been revealed in the title. Mr. Carcieri also stated that the property will be conveyed by a Quit-Interest Deed; the State will not issue a warranty deed under any circumstances, which is a standard operating procedure. Mr. Pagliarini asked for an update on the City of Providence's attempt to rezone the property. Mr. Carcieri indicated that the Department had invited representatives of the City to attend today's meeting. Mr. Carcieri stated that he received information that many of the key people would be on vacation and would be unable to attend. Mr. Carcieri explained that the Department has received no further information other than Mr. Deller's letter, which was submitted to the Committee last year wherein he intimated that there will be no change in the current W-2 or General Use Zoning and the Department has received no further indication that said zoning will be changed. Mr. Pagliarini stated that although he did not have a copy with him today, he recalls reading an article in the Providence Journal approximately a month or two ago that stated that the City was moving to rezone the subject property. Chairman Flynn stated that his interpretation of said article was that the Planning Commission had voted to recommend the removal of residential uses from the list of allowed uses. Chairman Flynn indicated that to his knowledge said recommendation has not gone before the City Council and that will be the final stage relative to whether said change would be made. However, in fairness to the Department, relative to its need to sell this parcel and derive the revenue from the sale, Chairman Flynn stated that the zoning issue

could remain unresolved for years and in essence tie the Department's hands in perpetuity. Chairman Flynn stated that he is not suggesting that there is any intention on the part of the City to delay the State's ability to move forward with the sale of the property, but a recommendation by the Planning Commission may very well not survive scrutiny of the City Council. Chairman Flynn further stated that whether this affects the value of the property is another hypothetical question. Mr. Carcieri agreed that is precisely the Department's predicament and stated that the official notice from the municipality states that it is not inclined to change the zoning of the property; however, there are movements as cited by Chairman Flynn, but whether they will come to fruition is unknown to the Department and time is of the essence as pressure from Federal Highway to dispose of the subject property is escalating. Mr. Khamsyvoravong stated that he would like to take a few minutes to address his concerns relative to the subject property. Mr. Khamsyvoravong indicated that he has been a long time community member of the Fox Point/Eastside neighborhood and his experience as such includes working with and participating in community voting giving him rather extensive knowledge with regard to the area. Addressing Director Lewis, Mr. Khamsyvoravong stated that from a resident's perspective, despite the Director's demanding schedule, his response to the concerns of the community has been phenomenal and thanked him for his efforts in that regard. Further, Mr. Khamsyvoravong stated that during his three (3) year tenure as a non-voting member of the State Properties Committee, this issue has come before the Committee numerous times and indicated that at each and every one of those meetings Mr. Khamsyvoravong has asked how much money is owed to the federal government by the State relative to the subject property. Is there a specific dollar figure,

a price tag you can put on this property to allow the many community groups represented here today to work toward if they wish to have a fair chance of fulfilling the Department's obligation to the federal government rather than having to compete in the open market in an area that may not be in the public's best interest. Mr. Khamsyvoravong stated that he has never been able to get a response to this question, which he has asked a myriad of times. Mr. Khamsyvoravong indicated that he has also examined the bond documents and was unable to locate a specific reference to a dollar figure or even to the obligation, which is spoken of time and time again and for which a representative of Federal Highway informs us exists, but yet Mr. Khamsyvoravong stated he has still not been provided with documentation evidencing the same, which he finds extraordinarily frustrating. Mr. Khamsyvoravong further indicated that the Committee has set forth a very specific list of requirements and or requests, which need to be addressed in order for the Committee to proceed with any approval of the RFP process; one of which is that the City of Providence Planning Department specifically state its intent with regard the zoning of the subject property. In Mr. Khamsyvoravong's opinion, it is an absolute embarrassment that no one from the City's Planning Department is here today to tell the Committee what its clear intent is. Mr. Khamsyvoravong further noted that the City's Planning Department has failed send a representative to any one of the previous meetings wherein the disposition of this vital parcel of land, which has captured the attention of countless residents and community groups, has been discussed. Mr. Khamsyvoravong reiterated that it is an embarrassment that a representative of the City's Planning Department is not present right now to make clear its intention relative to this property. Mr. Khamsyvoravong stated that well over a year ago, the Committee

requested that it be provided with a viability memorandum concerning utilizing the subject property as a water terminal whether for public transportation or otherwise. The only information that has been provided to the Committee is a letter from RIPTA. Mr. Khamsyvoravong does not want to believe that the Department of Transportation would rely on what is essentially a bus operation to make a determination as to whether this is a suitable site to be utilized as a water terminal. Mr. Khamsyvoravong stated that RIPTA is the same entity that decided to put the ferry terminal inside a hurricane barrier with marginal clearance on either side and excessive tides and has now chosen to locate what could be a major tourism generating vehicle for the State of Rhode Island on a site that was previously a brownfield site located directly across from an adult entertainment facility. Mr. Khamsyvoravong stated this is no way to treat any sort of economic development/tourism attraction that the State is trying to bring to fruition. Mr. Khamsyvoravong indicated that the single correspondence concerning the use of the subject property as a water terminal only addresses the concerns of a facility that operates buses and is written from the perspective of whether a bus can access the site and not from the perspective of how a water terminal at this site may generate economic activity for the State. Not to mention the fact that it illustrates absolutely no level of expertise relative to water transportation issues. The information provided to the Committee regarding the feasibility of the subject property as a water terminal is a great disappointment and embarrassment. Therefore, Mr. Khamsyvoravong can think of no reason why this Committee should move forward when two of the five standards that it set forth over a year ago have not been adequately addressed. Speaking as member of the Treasury, Mr. Khamsyvoravong stated that the Department has yet to make available the

specific dollar amount owed by the State to the federal government and not simply the Department assertion relative to the property's fair market value. Therefore, in the event the residents wish to step forward to preserve the subject property for public use, they will be fully informed of specific amount of money, which needs to be raised in order to satisfy the Department's obligation to the federal government. Director Lewis stated that he would attempt to address to all of Mr. Khamsyvoravong's concerns and will begin with the issue regarding the City of Providence Planning Department's failure to provide further updated information regarding its intent relative to the rezoning of the subject property. Director Lewis indicated that from his perspective, Chairman Flynn best expressed the Department's position, which is that the last official document made available to the Department from the municipality states that it does not intend to rezone the present use of the subject property. Director Lewis stated that the Department may be able to speculate as to future intentions, but what we have in front of us is what we have in front of us. Therefore, the Department has two options; it can hold out that said zoning change will enhance the State's position or indicate that any potential zoning change could undermine the State's position. However, Director Lewis stated that with all due respect to the City, he does not believe that the State should be held hostage by a municipality's indecision. Director Lewis indicated that the State must take a definitive position on the subject, which it through its request for authorization to proceed with the RFP process. In terms of value, there is another matter that has come before the Committee, which is subject of much controversy, having to do with the State's acquiring of land and disposing of land and the position Federal Highway has taken, which involves the sale of the former Farmers' Market property. The Federal Highway's

position is that the State failed to receive fair market value for the property, which resulted in Federal Highway's decision to withhold funding. The withholding of federal funds has a huge impact on the State of Rhode Island. The State respectfully disagrees with Federal Highway's decision and is working with Federal Highway on a review of said decision. However, the fact remains that Federal Highway has the right, authority and ability to withhold federal funds from a state and the ability to prevent the authorization of future funds. The most extreme example of this involves either the State of Arizona or New Mexico where Federal Highway made the decision to withhold authorization of any additional federal funds evidencing that Federal Highway does in fact have this ability. Director Lewis stated that the State of Rhode Island enjoys a great working relationship with Federal Highway and is in agreement with them 99% of the time and only occasionally finds itself in a professional disagreement, which is typically amicably resolved within a short period of time. Director Lewis stated that he would venture to say that if the State of Rhode Island does not act with regard to the subject property in a way that Federal Highway deems just and appropriate, not only would the State not receive the revenue from the sale of the property, but it is certainly a possibility that Federal Highway could take back the federal funds that went into the purchase price of the property. Director Lewis indicated that he is willing to share the perceived value of the property with the Committee; however, he will have to defer to the Committee regarding whether such information can be discussed in open session or must be presented in executive session. Chairman Flynn noted that this item initially came to the Committee as an item to be heard in executive session in order to discuss the property's value; however, he decided in his capacity as Chair of the Committee that to discuss the

matter behind close doors may create the appearance that the State is being secretive about its intentions regarding the subject property, which would outweigh the benefit of the Committee being informed of and discussing the property's assessed value.

Chairman Flynn noted that the value is a seven figure number in excess of \$1 million dollars, but less than \$10 million dollars. Director Lewis explained that there is a very explicitly prescribed process that all states must follow in determining the value of property and that they must strictly adhere to said process in order for the established value to be accepted by Federal Highway. Mr. Khamsyvoravong recalled that previously a representation was made by the Department that this particular property falls outside the normal parameters of Federal Highway's standard procedures regarding the acquisition of property for a project. Director Lewis explained that the subject property was acquired outside of the norm, but the determination of its value and the disposal of the property must remain within the normal parameters. As the acquisition of the property was 90% federally funded, if the State wishes to retain that percent of the funds then the State has to follow Federal Highway's standard procedure relative to the disposal of the property. Mr. Khamsyvoravong asked whether the revenue needed to satisfy the Department's obligation must come from the sale of this specific property. It appears that the State needs \$40 million dollars in total and we are counting on an amount less than \$3.7 million dollars being realized from the sale of the subject property to chip away at the \$40 million dollar obligation. Director Lewis noted that there are a couple of different issues involved. Director Lewis explained the first is the amount of money necessary to fund the Iway Project, because whatever money is not allocated for the funding of the Iway Project is utilized for one of the innumerable necessary

transportation projects throughout the State. However, the disposition of land that was purchased with federal funds must be disposed of in a manner consistent with Federal Highway requirements. Even if the State were to satisfy its obligation to the federal government via a private donation or grant, the State would still be required to dispose of the subject property in way consistent with Federal Highway requirements. Lastly, Director Lewis addressed the issue of the suitability of the subject property as a water terminal site. Director Lewis that as the Director of the Department of Transportation, he also sits on RIPTA's board, which has given him the opportunity to be very involved in RIPTA planning and budget issues. Director Lewis indicated that the State of Rhode Island is entering an era during which RIPTA will not only be an agency charged with the operation of buses. Rhode Island is entering an era of true public transit and the most telling example is the expansion of the commuter railway south of Providence to the Warwick Intermodal Station and on to the Wickford Junction. As many you may know, the State is also in the throws of a Phase II Planning Study to examine commuter rail operation south of Wickford Junction as well as investigating potential improved transit connections to the City of Woonsocket. Director Lewis indicated that many parties are interested in examining the potential for true water transit opportunities throughout the State. Director Lewis believes that there is a role for Statewide Planning, the Department of Transportation and for RIPTA regarding the expansion and implementation of transit opportunities within the State of Rhode Island. Director Lewis indicated that Rhode Island is one of ten states in the country that has been provided with an opportunity to host a workshop on global environmental issues as it relates to transportation. The Department will look at exactly this issue; what the Departments of Transportations can

do to address the environmental issues which are facing this country. It is quickly becoming a requirement that we look at enhanced transit opportunities in the State. Director Lewis stated that speaking from the prospective of RIPTA, what drives RIPTA is not buses; it is budget. RIPTA is presently examining the services that it currently provides and finding ways to reduce these services in order to work within the limits of its 2011 fiscal year budget. RIPTA's primary source of funding is the federal gas tax and as the yields decrease and gas prices increase RIPTA finds itself in the same position as the Department of Transportation. RIPTA is constantly fighting a losing battle and is forced to reduce existing service as it does not have adequate revenue to pay for the existing service. Therefore, from that prospective, water transportation is not a suitable option at this time as the revenue to implement and operate such a facility simply does not exist. Director Lewis indicated that on a broader state economic development side the Department needs to be working with statewide planning. The State needs to determine what transportation service does it want to provide and then where is the revenue going to come from in order accommodate said service. Director Lewis stated that he personally believes that a sale or transfer of the subject property is not incompatible with future water transit use at the site. Director Lewis stated that he agrees that there is certainly potential for future water transit use and wants to make it known that what the Department is requesting from the Committee today does not preclude that option from being realized and in fact it may enhance the opportunity to once again provide ferry service. Chairman Flynn asked if the Department would want the RFP to specifically address future water transit at the site whether its operation be public or private. Director Lewis stated that said issue could certainly be incorporated into the

RFP. Director Lewis believes that the Department should be somewhat cautious relative to incorporating water transit issues as part of the RFP, but thinks it is certainly a good opportunity to get ideas to the table. However, Director Lewis' fiduciary obligation is to receive the value from the property that the federal government invested in it. The Director's only caution is that the RFP not diminish the property's value. Mr. Khamsyvoravong thanked Director Lewis for his response and noted that there is no doubt in anyone's mind that Director Lewis is an immense human asset to both the Department and the State. However, coming back to the Committee's original requests, Mr. Khamsyvoravong stated that two of the five requirements set forth by the Committee have still not been adequately addressed. The first being the assessment of the site as a viable marine terminal and Mr. Khamsyvoravong finds it discouraging to hear us talk about potential economic development tools strictly from a public transit perspective, which as the Director mentioned, has extreme budgetary constraints and will continue to until the State restructures how it funds public transit. The other is the planning issue. Should the City suddenly decide to rezone the subject property in a way that would adversely impact the overall value of the site, then said change would clearly impact the amount of aid that the State would receive from the federal government or from Federal Highway. Mr. Khamsyvoravong noted that there are two major issues on the docket that the Committee requested be addressed over a year ago and yet the Department continues to fail to adequately address the same to the satisfaction of the Committee. Therefore, before the Department is allowed to move forward with an RFP, Mr. Khamsyvoravong believes those issues need to be adequately addressed. Mr. Khamsyvoravong stated that he did not know if there is anyway to ensure that the Committee hears from Mr. Deller of

City of Providence Planning Department. There is simply no excuse for the City Planning Department not to be represented at this meeting today when so much lies in the balance for Providence's waterfront. Chairman Flynn stated that he happens to know that Mr. Deller is out of the State attending a national conference. Mr. Khamsyvoravong doubts very much the City's Planning Department consists of just one individual despite the fact that it has failed to attend any one of the meetings at which this property has been discussed; he finds this totally unacceptable. Chairman Flynn noted that the State cannot continue allow its hands to be tied in terms of the required sale of the subject property due to either the City's failure to respond to the Department of Transportation's request for its attendance at these meetings or its inability to provide the Department and/or Committee with updated correspondence stating what its intentions are relative to the rezoning of the subject property. Mr. Khamsyvoravong asked if the City decided to change the zoning of the property mid-RFP, what impact would that have on the value of this property. Chairman Flynn stated that perhaps that could be a subject of litigation for the State. Chairman Flynn noted there were any number of possible things that could happen; however, given everything we have heard from Director Lewis, do we not act because of the potential of any one of countless scenarios occurring? Mr. Khamsyvoravong reminded the Chair that the zoning issue is one of the five major issues that the Committee outlined requesting that it be given clear definitive language regard zoning before it would move forward and the Committee still has not be provided with said information. Mr. Khamsyvoravong stated that if the City and State cannot cooperate on an issue as important as this, then he does not see how this Committee can move forward at this time. Chairman Flynn indicated that he understands Mr.

Khamsyvoravong's concern, but at the same time the Committee has also just heard from Director of the Department of Transportation and from Mr. Butler of Federal Highway as to the dire consequences of non-action relative to the sale of the subject property. Mr. Khamsyvoravong noted that he understands the consequences and he has heard them mentioned verbally several times now and he notes a letter eluding to zoning in the Committee's package and has heard it from several representatives; however, he has made numerous request to be shown that, in writing, in any of the legal agreements the Department has with the federal government and has still not seen it. Mr.

Khamsyvoravong stated that he has been a member of the State Properties Committee for three (3) years during which this property has come before us numerous times and he indicated that he has made said request every single time. Director Lewis stated that there may have been some miscommunication relative to Mr. Khamsyvoravong's request; however, the Director will be happy to provide Mr. Khamsyvoravong with a copy of Title 203, which is the Statute of Regulations in accordance with Federal Law.

Director Lewis stated that the federal government explicitly outlines how states need to address disposition of land that was acquired through the use federal funds. The Department will provide a copy of the same to Mr. Khamsyvoravong today. Mr.

Khamsyvoravong noted more specifically, the community needs to know the exact dollar figure that is owned to the federal government; once that figure is known, the community can start to figure out how to obtain it. Mr. Pagliarini noted that the last official document that the Department or Committee has indicates that the City does not intend on changing the zoning. The Department may or may not have sought additional information from the City, but the City is well aware that the State has been moving

forward with this project. Mr. Pagliarini noted that the Department of Transportation has substantially relied upon the City of Providence Department of Planning's letter that they are not going to change the zoning; therefore, silence is a response, which indicates that the City is not changing the zoning. The City has had every opportunity to come to this Committee, send a one page document or to send a representative and in the absence of any of those things, the Department has to rely upon the last official document that it has. Mr. Pagliarini stated that he believes the Department has satisfied its obligation in terms of the zoning issue. Mr. Pagliarini stated that the Department can not force the City to come to the table; if it chooses not to, the City has abdicated its rights in his opinion. Mr. Carcieri noted that the invitations made to the City by the Department to attend this meeting were made several time over the last week via email, telephone and certainly a copy of the State Properties Committee's agenda. Mr. Carcieri also stated that a specific elusion to the very questions of the five that the Committee cited over a year ago is the exact same question before us now. Mr. Khamsyvoravong explained that his comments were not meant as a reprimand to the Department of Transportation by any means; it is specifically directed at the City of Providence. Mr. Khamsyvoravong explained that the Committee's request for these five things, which included obtaining definitive language from the City of Providence regarding zoning was made in January of 2009. At that point in time, the Committee determined that the letter received in 2008, from the City Planning Department was not sufficient in terms of zoning. Chairman Flynn clarified that said letter was misdated; the letter was actually sent in 2009 evidenced by the Department's "Received" stamp dated January of 2009. Mr. Pagliarini noted that he has a document, going back ten years, stated that "India Point Marina grants to SDC Land

Company exclusive rights of four (4) fifty (50') foot slips" and that SDC Land Company was the owner of the Shooter's property in 1990. Mr. Pagliarini noted that he had not reviewed the document in detail, but that he questions whether or not there is an easement over an abutters marina or if the State is committed for 50 years on 200 feet of slips on the Shooter's property. In any event, Mr. Pagliarini believes there is an encumbrance on the property. Mr. Mitchell stated that he has never seen said document and he is not certain whether it appears in the title commitment the State has for the property. Mr. Pagliarini offered his one and only copy of said document to Mr. Mitchell and stated that it was recorded in the City of Providence and he located in a ten year old file of his last night. Also contained in said file was the original India Point Ferry Terminal update by RIPTA. Mr. Pagliarini stated that after reviewing that document it seems as though the Ferry Terminal was a temporary use of this site during the construction phase and that very similar to what the Director just testified to the documents states that the site had future development potential as a hotel, condominium, retail or marina with RIPTA hoping to work with the Department of Transportation on its future redevelopment and explore a water transportation component. Therefore, RIPTA was going to test the site for the decade of 2000 through 2010, and then hope to have a foothold for a water transportation component at the re-use of the property. Mr. Pagliarini does not want it to be perceived that the final use of the property was for water transportation. In 2000, there were opinions drafted that the highest and best use was for a temporary ferry on site, but upon the disposition of the property, the more intense use would be the highest and best use of the site. Mr. Woolley asked whether anyone from the Department has contacted either Interstate Navigation or Cross Sound Ferry, which are the boats that service Block

Island; one from New London and one from Galilee, with respect to reinstating private ferry service from Providence to Newport to Block Island or even the State's DEM Island Park system. Both Director Lewis and Mr. Devine indicated they had not made direct contact with either of those entities. However, both last year and this year, RIPTA issued an RFP to extend ferry service. Director Lewis indicated that last year's RFP included two options, one was for a subsidized service and the other was for a non-subsidized service. Director Lewis explained that one bid asked what kind of subsidy would a vendor need in order to deliver a specific product and the other asked if no subsidy was provided what type of product could the vendor deliver. RIPTA received no bids on the subsidized service; the non-subsidized service received one bid which was not successful. Director Lewis does not wish to indicate that as the definitive answer on ferry service, but that was the result of last year's RFP. This year RIPTA issued an RFP for a non-subsidized ferry service only and received no bids. Mr. Woolley asked if there is a deadline specifically set out in the agreement between the Department and Federal Highway as to when the surplus real estate from the Iway Project has to be sold. As in an absolute month, day and year by which the surplus property has to be sold. Director Lewis indicated he is not aware of an absolute drop dead date. Mr. Carcieri indicated that there rarely is a deadline date; the agreement usually stipulates the sale upon the completion of the project. The difference in the instance is the money constraints unlike other projects which come before the Committee. Mr. Woolley asked if the Department and/or its appraisers take into account the fluctuations in the real estate market with respect to whether or not it might be prudent to hold on to a piece of property like this until the economy improves and the value of the property increases. Director Lewis

explained that the Department has cash flow requirements in order to match the federal funds and that is more involved with the Department of Administration Controllers Office as a cash management issue. Mr. Pagliarini stated that in his experience with commercial properties and tax appeals, the cities and towns are finding an increase in the value of water front property while all other real estate experiences a decrease in value. Mr. Pagliarini does not think that the value of this particular water front property has gone down as much as one might think; waterfront property seems to better hold its value regardless of any fluctuations in the economy. Mr. Carcieri noted that it is very much the same situation discussed regarding the City Planning Department's intention relative to rezoning. What factors does the Department use to determine that the market has been restored or is ascending upwards and how long does the Department wait especially with a keen pressure to dispose of this property for the purposes of the federal highway program? Director Lewis stated that what the Department is asking for from the Committee today is authorization to proceed with the RFP process. The State always retains the right reject bids, terminate the RFP process at anytime or find a better deal. Director Lewis expressed to the Committee and to the community organizations that this constitutes the beginning of the process not the end. Mr. Woolley asked if the RFP provided to the Committee is the final form of the RFP that will be issued. Director Lewis stated that based upon the discussion today and conversation he has had in the past, he believes the Department should be more explicit rather than implicit in preparing the RFP with regard to the opportunity for public/private partnerships and the compatibility with water transit and marine uses insofar as it is in compliance with the MOA mentioned earlier in today's presentation. Mr. Carcieri noted that the MOA

appears to apply more to the development of the property and not to its disposal or sale into private or public hands. Mr. Woolley noted that paragraph 4 of the special conditions references Title 37, Chapter 7, Section 3, which is condemnation and as it is his understanding that the purchase of the property was by Warranty Deed, he questioned if Section 4 would not be the more appropriate reference. Mr. Carcieri indicated that is a typographical error in the documents, which will be corrected as the purchase of the subject property was a deed acquisition. Mr. Woolley asked that due to the fact that the document was not made available to him until late on Friday afternoon and he was dealing with flooding issues at his home, he questioned whether the RFP is a work in progress and the Committee will have another opportunity to review same. Director Lewis stated that was he is requesting authorization to issue an RFP, which reflects the comments and opinions of the Committee. Director Lewis also indicated that any revisions having to do with the legal language will be made as well. Mr. Khamsyvoravong asked if the RFP moves forward and the Department is in a position to have to balance a public interest aspect, whether it's a marine terminal or otherwise, does the Department believe it will be able to balance that aspect with the fiduciary requirements it must satisfy as well. Director Lewis believes that the Department can balance the two; however, the decision the State will ultimately have to make is its exposure to Federal Highway seeking federal funds back and what the implications of that are. Director Lewis indicated that he is confident that Federal Highway will be very open in its position on that issue so the Department will be aware, before any action is taken, of what the risk is to the State and based upon that risk, the State can make sound public policy decisions. Chairman Flynn stated that he will open the discussion to a few

representatives from the community organizations and reminded the Committee that he received a letter, which was distributed, from Representative Segal and Senator Perry and an email regarding the Shooter's waterfront site from David Riley. Chairman Flynn asked Mr. Riley to act as a representative for his group and asked that his comments specifically address Director's Lewis desire to move forward with an RFP, which would incorporate the concerns of the community groups. Mr. Riley thanked the Director and the Committee's for their consideration of this issue which reflects the widespread public interest and concern regarding this property. Mr. Riley indicated that with regard to the definitive language relating to the zoning of the property, that the vote by the City Planning Commission was four votes in favor of rezoning to zero votes opposing rezoning with one abstention. Mr. Riley realizes that the City's Planning Department has failed to respond but it has made a definitive statement by way of said vote and he would hope that the City and the State could work together to somehow clarify the issue. The community has been working with the City in an attempt to obtain a very definitive statement from the Planning Department regarding the zoning issue. Mr. Riley stated that the Committee instructed the Department to produce a letter stating that it has examined the site for suitability as a marine terminal. Mr. Riley stated that this has not been accomplished as of yet. Mr. Riley noted that a letter in the package from Mr. Devine to Mr. Daniel Clarke states that the letter from RIPTA, which Mr. Riley is unable to locate in his package, states they "do not consider the former Shooter's property as a future ferry landing. However, the Committee's instructions were that the Department examine the site not that RIPTA examine the site for its suitability as marine terminal; therefore, the Committee's condition has clearly not been met. Mr. Riley stated that he

appreciates Director Lewis' expression of interest in the ferry issue as the community feels very strongly about this issue and has tried very hard to convince RIPTA to conduct a feasibility study, which has never been done in the "Ocean State" regarding the feasibility of commuter ferries. Mr. Riley noted that there is a new federal grant, which could fund the cost of conducting said feasibility study. On the "takings" issue, Mr. Riley indicated that he and the members of various community organizations have met with Bruce Kogen, who is a professor at Roger Williams Law School and very familiar with the takings issue and have also had other lawyers review the takings issue. Mr. Riley indicated that these inquiries have determined that there have been no taking cases in the State of Rhode Island. In fact, the City Solicitor of Providence has confirmed that there has never been a case where the federal government or the state government sues a municipality for a zoning decision. Mr. Riley stated that if all use was taken away from a property than it would be a takings issue, but that is not the case in this instance. Therefore, the taking issue has been dispensed with. Mr. Riley indicated that the community is very concerned that the process going forward will end up depriving public control of this incredibly valuable parcel of land. Mr. Pagliarini asked what Mr. Riley's objection is to the Department issuing an RFP that gave the neighborhood equal rights to put together a proposal relative to this property. Mr. Pagliarini asked what the harm is in allowing the Department to proceed. In fact, it may actually accelerate action by the neighbors to acquire this property. Mr. Riley stated that the neighbors have been speaking with several developers regarding the possibility of producing a proposal; however, what the community is really interested in pursuing is the possibility of the Department and Federal Highway considering a lease of the subject property. If the State

retains ownership and leases it to a developer to provide an appropriate public destination than the State retains control of the property. However, the concern is that if the property is sold outright without condition and/or restrictions, the State and the public will lose the power and control to assure the site becomes a public destination. Mr. Pagliarini noted that the City of Providence has more rights than any developer as it stands in line first to match or make an offer to obtain the property, what harm does it do to allow the Department to issue a RFP. Mr. Woolley stated that the City's rights are subject to the former owner's right of first refusal; therefore, it is more appropriate that the government maintain ownership of the property. Mr. Pagliarini stated that is assuming that that one person is desirous of getting the property back and developing it. Both Mr. Riley and Mr. Woolley confirmed that the former owner has expressed his desire to do just that. Mr. Riley stated this is the reason neighbors are seeking to pursue with the Department and Federal Highway the possibility of a lease whereby a developer would obviously pay rent and could pay back the value of the property over time or perhaps the developer could obtain a loan to pay back Federal Highway quickly. Director Lewis indicated that the RFP can reflect that as an option to be considered. Mr. Riley indicated that even if the City was interested in taking ownership, which does not appear to be the case, this is a statewide resource and the public feels strongly that for the State to lose control of this property through a one time sale, when the economic development opportunities over time are much greater, would be penny wise and dollar foolish. Chairman Flynn clarified that the Committee's approval to allow the Department to move forward does not preclude that possibility. Mr. Carcieri also indicated the allowing the Department to move forward at this time would not preclude the possibility of the Department

transferring the custody and control of the property to another State-agency. Mr. Pagliarini advised that Mr. Riley be cautious of requesting the lease language as that would open it up to private individuals to submit a lease proposal as well and allowing someone else to outbid the neighbors on a lease. Mr. Riley indicated that although that is true at least the State would retain ownership and maintain control over the property. Mr. Pagliarini stated that if he was representing a client, he would want the Committee to allow the Department to move forward so that the players are identified and everyone knows where they stand because once you issue the RFP, you know the lay of the land. The Department retains the right to reject all bids, but at least you know where you stand. Mr. Pagliarini moved to allow the Department of Transportation permission to seek RFP subject to the Department amendments as discussed. Mr. Pagliarini stated that he would leave it up to the Department of Transportation's discretion to craft its RFP subject to the comments heard today. Mr. Kay asked if the request today is for conceptual approval. Chairman Flynn clarified that the RFP would be subject to the comments made today and stated that the Committee would have final say, if not on the language of the RFP, at least the responses to the RFP would reflect those conditions. Mr. Kay indicated that on that basis he would second Mr. Pagliarini's motion to approve.

Under discussion, Mr. Griffith asked if Mr. Pagliarini's motion to approve also includes his reference to the potential encumbrance of the marina. Mr. Pagliarini noted that legal counsel will have to identify the title for prospective bidders. The Department cannot tell bidders that they are bidding on a free and clear parcel of land if it is in fact encumbered. Mr. Woolley stated for the record that Attorney General Lynch is opposed to the sale of this property in the manner that is being proposed here today.

A roll call vote was take and the votes were as follows: : Mr. Griffith voted “Aye”, Mr. Pagliarini voted “Aye”, Mr. Woolley voted “Nay”; Mr. Kay voted “Aye” and Chairman Flynn voted “Aye”. The motion passed four (4) votes “Aye” to one vote “Nay”.

Four (4) Votes “Aye”

Mr. Griffith
Mr. Pagliarini
Mr. Kay
Chairman Flynn

One (1) Vote “Nay”

Mr. Woolley

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:47 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

SPECIAL MEETING OF THE
STATE PROPERTIES COMMITTEE

FRIDAY, APRIL 9, 2010

The meeting of the State Properties Committee was called to order at 1:20 p.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were John Ryan, Michael Mitchell and Ian Anderson from the Rhode Island Department of Administration; and Meredith Pickering from the Rhode Island Senate Fiscal Office.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Administration - A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and the City of Warwick for use of 5,000 square feet of office space located at 50 Service Avenue in the City of Warwick. Mr. Ryan explained that as a result of the recent floods, the City of Warwick Sewer Authority Headquarters has suffered severe damage. Mr. Ryan stated that both he and Mr. Mitchell have been working with City officials to provide the Warwick Sewer Authority with suitable space to be utilized as its temporary headquarters. Mr. Ryan indicated that the subject premises consist of approximately 3,000 square feet. Chairman Flynn asked how long the City intends to occupy the subject premises. Mr. Ryan stated that the Warwick Sewer Authority anticipates that it will require said office for approximately two (2) months; however, the

License Agreement is for a term of three (3) months in the event of any complications or delays. It is Chairman Flynn's understanding the plans to renovate the 50 Service Avenue property for the State's own purposes will continue as planned. Mr. Ryan agreed and stated that the State's architects will be present to monitor the ongoing construction and said renovations will not be disturbed by the Sewer Authority's presence. Mr. Ryan indicated that both he and Mr. Mitchell worked closely with Mr. Woolley and Warwick City Officials to present the License Agreement before the Committee today. Mr. Ryan indicated that he and/or Mr. Mitchell would be happy to answer any questions the Committee may have relative to said License Agreement. Mr. Pagliarini asked why the Department of Administration chose a license agreement as opposed to a lease agreement. Mr. Mitchell stated that because of the short length of time the City intends to occupy the subject premises, a license agreement was the more expeditious way of dealing with the emergency circumstances involved in this situation. Mr. Pagliarini asked why the State is assessing a rental fee given the emergency circumstances. Mr. Mitchell explained that should the Warwick Sewer Authority be entitled to reimbursement from FEMA, its payments to the State will provide the necessary records for said reimbursement. Given the extensive clean up required, Mr. Pagliarini asked if the Department will require a security deposit. Mr. Mitchell indicated that the License Agreement contains language, which will protect the State's interest to the extent that the Department did not deem it necessary to assess a damage deposit. Mr. Mitchell stated that personnel from the Division of Facilities will be present and will monitor all activity at the property. Mr. Mitchell explained that the Warwick Sewer Authority will not transport any equipment or machinery to the temporary location from the damaged site or

any other site where the contamination of materials may be a concern. For purposes of clarification, Mr. Pagliarini asked if the Sewer Authority intends to utilize the subject premises as an administrative office only. Mr. Mitchell stated that the subject premises will be utilized for administrative offices only. Chairman Flynn commended all those involved for their efforts in being of assistance to the City of Warwick at this time. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Item B – Department of Administration – A request was made for execution of eleven (11) Quit Claim Deeds to re-acquire the following properties from the Refunding Bond Authority to the State of Rhode Island Administrative Office of State Courts (the “SRIAOSCS”), the State of Rhode Island Board of Governors for Higher Education (the “SRIBOGHE”) and the State of Rhode Island & Providence Plantations (the “SRI&PP”), which were presented at the March 30, 2010, meeting of the State Properties Committee, together with a request for approval of and signatures on three (3) Quit Claim Deeds to re-acquire three (3) additional properties from the Refunding Bond Authority to the Administrative Office of State Courts (the “AOSC”) and the Department of Administration the (the “DOA”), which were not presented at the aforementioned meeting, but are listed below:

<u>Building Name:</u>	<u>Address:</u>	<u>New Owner:</u>
1. <i>Murray Building</i>	<i>40 Washington Square, Newport</i>	<i>SRIAOSCS</i>
2. <i>Elementary & Secondary</i>	<i>50 Jenckes Street, Lincoln</i>	<i>SRIBOGHE</i>
3. <i>Marine Resources Building</i>	<i>220 South Ferry Road, Narragansett</i>	<i>SRIBOGHE</i>
4. <i>VMA (Condominiums 2 Units)</i>	<i>50 Brownell Street, Providence</i>	<i>SRI&PP</i>
5. <i>Medium Security Prison</i>	<i>51 West Road, Cranston</i>	<i>SRI&PP</i>

6. <i>Classrooms/Training School</i>	<i>87 Power Road; Rossi Circle (5, 7 & 9)</i>	<i>SRI&PP</i>
7. <i>Channel 36</i>	<i>50 Park Lane</i>	<i>SRI&PP</i>
8. <i>Powers Building</i>	<i>One Capitol Hill, Providence</i>	<i>SRI&PP</i>
9. <i>Central Warehouse</i>	<i>25 Power Road, Cranston</i>	<i>SRI&PP</i>
10. <i>Licht Judicial Complex</i>	<i>250 Benefit Street, Providence</i>	<i>SRIAPSC</i>
11. <i>R I College Recreation</i>	<i>600 Mount Pleasant Avenue, Providence</i>	<i>SRIBOGHE; and</i>
12. <i>Fogarty Building</i>	<i>24 Weybosset Street, Providence</i>	<i>AOSC</i>
13. <i>Garrahy Building</i>	<i>181 Dorrance Street, Providence</i>	<i>AOSC</i>
14. <i>ACI-Max Prison</i>	<i>1375 Pontiac Avenue, Cranston</i>	<i>DOA</i>

Mr. Mitchell explained that the Department previously presented this request to the State Properties Committee on March 30, 2010, seeking approval to acquire the first eleven (11) properties listed above. However, at that time, the State Properties Committee was only able to execute the Deed for the property located at 87 Power Hill Road. Mr. Mitchell stated that since that time, the remaining Deeds were presented to the Refunding Bond Authority for execution by its Chairman. Therefore, Mr. Mitchell indicated that the ten (10) remaining Deeds before the Committee today require the approval and execution of the State Properties Committee. Mr. Mitchell stated that a title commitment has been received and the Department of Attorney General has reviewed and approved the Deeds as to form. Mr. Mitchell respectfully requested that the State Properties Committee consummate the subject transactions via its approval and execution of the Deeds. Mr. Mitchell asked that relative to the remaining three (3) properties (Fogarty Building, Garrahy Building, and ACI-Max Prison Complex) the Committee grant the Department's request to re-acquire said properties for the purchase price of \$1.00. Mr. Mitchell indicated that in the event the Committee approves the Department's request to re-acquire said properties, the matter will return to the Refunding Bond

Authority for its approval of said transactions. Mr. Woolley asked if said transactions can be completed within thirty (30) days. Mr. Mitchell stated that said transactions will be completed in less than thirty (30) days. Mr. Pagliarini indicated that as he was unable to attend the State Properties Committee meeting of March 30, 2010, he will abstain from voting relative to the subject request. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay. Said motion passed with four (4) votes “Aye” and one abstention.

Four (4) Votes “Aye”

Mr. Kay
Mr. Woolley
Mr. Griffith
Chairman Flynn

One (1) Abstention

Mr. Pagliarini

There being no further business to come before the State Properties Committee, the meeting was adjourned at 1:27 p.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MARCH 30, 2010

The meeting of the State Properties Committee was called to order at 10:___ a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay Public Member; and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Rachel Goldstein from the Rhode Island Office of the General Treasurer; Lisa Primiano from the Rhode Island Department of Environmental Management; Paul Carcieri, Annette Jacques, Richard Kalunian, Colleen Kerr and Eva Bernardo from the Rhode Island Department of Transportation; Michael Mitchell John Ryan from the Rhode Island Department of Administration; Joseph Paul da Silva from the Rhode Island Board of Regents for Elementary & Secondary Education; Brian Peterson from the Rhode Island Department of Children Youth and Families; Kenneth Burke and Romeo Mendez from the Rhode Island Resources Water Board

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meeting of March 16 2010, by Mr. _____ and seconded by Mr. _____ .

Passed Unanimously

ITEM A – Department of Revenue – A request was made for permission to advertise a Request for Proposals to solicit bids for new office/customer service space to replace the existing Middletown branch office. Mr. Ryan explained
A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM B – Department of Revenue/Division of Motor Vehicles – A request was made for approval of and signatures on a Lease Agreement by and between the Department of Revenue and the Rhode Island Public Transit Authority for the premises located at 325 Melrose Street in the City of Providence. Mr. Ryan

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM C – Department of Administration – A request was made for approval of and signatures on a Purchase and Sale Contract by and between the Department of Administration and 1615 Pontiac Avenue Condominium Association for the sale of property located at 1615 Pontiac Avenue in the City of Cranston.

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM D – Department of Administration – A request was made for approval to re-acquire the following properties from the Refunding Bond Authority to the State of Rhode Island Administrative Office of State Courts (the “SRIAOCS”), the State of

Rhode Island Board of Governors for Higher Education (the “SRIBOGHE”) and the State of Rhode Island & Providence Plantations (the “SRI&PP”):

<u>Building Name:</u>	<u>Address:</u>	<u>New Owner:</u>
1. <i>Murray Building</i>	<i>40 Washington Square, Newport</i>	<i>SRIAOSC</i>
2. <i>Elementary & Secondary</i>	<i>50 Jenckes Street, Lincoln</i>	<i>SRIBOGHE</i>
3. <i>Marine Resources Building</i>	<i>220 South Ferry Road, Narragansett</i>	<i>SRIBOGHE</i>
4. <i>VMA (Condominiums 2 Units)</i>	<i>50 Brownell Street, Providence</i>	<i>SRI&PP</i>
5. <i>Medium Security Prison</i>	<i>51 West Road, Cranston</i>	<i>SRI&PP</i>
6. <i>Classrooms/Training School</i>	<i>87 Power Road; Rossi Circle (5, 7 & 9)</i>	<i>SRI&PP</i>
7. <i>Channel 36</i>	<i>50 Park Lane</i>	<i>SRI&PP</i>
8. <i>Powers Building</i>	<i>One Capitol Hill, Providence</i>	<i>SRI&PP</i>
9. <i>Central Warehouse</i>	<i>25 Power Road, Cranston</i>	<i>SRI&PP</i>
10. <i>Licht Judicial Complex</i>	<i>250 Benefit Street, Providence</i>	<i>SRI&PP</i>
11. <i>RI College Recreation</i>	<i>600 Mount Pleasant Avenue, Providence</i>	<i>SRIBOGHE</i>

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM E – Board of Regents for Elementary & Secondary Education – A request was made for conceptual approval for the disposition of the Chariho Career and Technical Center located at 459 Switch Road in the Town of Richmond to the Board of Regents for Elementary & Secondary Education to the Chariho Regional School District. Mr. da Silva

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM F – Department of Children, Youth and Families – A request was made for authorization to issue a Request for Proposals (“RFP”) to solicit bids for seventy (70) parking spaces located in close proximity to 101 Friendship Street in the City of Providence to accommodate additional staff resulting from the closing of the Pawtucket Regional Office. Mr. Peterson

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM G – Department of Children, Youth and Families – A request was made for approval for a one-week agreement for parking spaces for out-of-state reviewers conducting the Federal Government’s bi-annual Child and Family Services Review. Mr. Peterson

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM H – Water Resources Board – A request was made for approval of the Big River Management Area Divestment Plan/Strategy including the issuance of notification to non-original owners of month-to-month tenancies for a period of twelve (12) months as well as a request for approval of and signatures on six (6) “original owner” Lease Agreements for the following residential properties located within the Big River Management Area:

<u>Tenant(s):</u>	<u>Address:</u>
1. Arlene Oberg	16 Arrowhead Road, Coventry, Plot #147; and
2. Pearl Rice	497 Harkney Hill Road, Coventry, Plot #69/69A; and
3. Arthur & Gustaf Anderson	1065 Harkney Hill Road, Coventry, Plot #42-A; and
4. Faye Edwards	26 Hoxie Road, West Greenwich, Plot #B-11-A
5. Rose Hawkins	700 Nooseneck Hill Road, West Greenwich, Plot #234; and
6. Roy Austin	18 Town Hall Road, West Greenwich

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for conceptual approval to purchase thirty-five (35) acres of land located along Durfee Hill Road in the Town of Glocester; known as the Bates Property. Ms. Primiano

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM J – Department of Environmental Management – A request was made for conceptual approval to purchase twenty-six (26) acres of land located along Old Main Road in the Town of Little Compton; known as the Booth Property. Ms. Primiano

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM K – Department of Environmental Management – A request was made for conceptual approval to purchase ten (10) acres of land located along Grantville Extension in the Town of Hopkinton; known as the Tefft Property. Ms. Primiano

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM L – Department of Transportation – A request was made for review and execution of a License Agreement by and between the Department of Transportation and Extell Providence, LLC for use of 29,185± square feet of land located adjacent to Dyer Street in the City of Providence for vehicle parking. Mr. Carcieri

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM M – Department of Transportation – A request was made for approval of and signatures on a Certificate of Transfer of Land from the Rhode Island Executive Military Staff to the Department of Transportation for property located at 395 George Washington Highway (Route 116) in the Town of Smithfield; designated as AP 48, Lot 47A. Mr. Carcieri

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM N – Department of Transportation – A request was made for authorization to acquire land necessary to plat a highway from Sockanosset Crossroad to the Route 37 overpass (Power Road (a/k/a Howard Service Road) in the City of Cranston by virtue of Condemnation Plat 2733. Mr. Kalunian

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM O – Department of Transportation – A request was made for approval of and signatures on a Temporary and Perpetual Easement over 15,292± square feet of property located on Memorial Boulevard in the City of Newport by and between the Department of Transportation and the City of Newport. Ms. Bernardo

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion to enter into Executive session was made by Mr. Griffith and seconded by Mr. Woolley.

A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye”, Mr. Kay voted “Aye”, Mr. Woolley voted “Aye” and Chairman Flynn voted “Aye”.

ITEM E1 – Department of Transportation – A request was made for approval to proceed with the acquisition of land located in the City of Warwick and in the Town of West Warwick necessary for the replacement of the Natick Bridge No. 383 project. After discussion in Executive Session, A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

The State Properties Committee returned to the regular session of the State Properties Committee at ___:___ a.m.

There being no further business to come before the State Properties Committee, the meeting was adjourned at ___:___ a.m. A motion was made to adjourn by Mr. _____ and seconded by Mr. _____.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MARCH 16, 2010

The meeting of the State Properties Committee was called to order at 10:02 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members; and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Rachel Goldstein from the Rhode Island Office of the General Treasurer; Director W. Michael Sullivan and Lisa Primiano from the Rhode Island Department of Environmental Management; Paul Carcieri, and Richard Kalunian from the Rhode Island Department of Transportation; Christopher Cotta and William Masse from the Rhode Island Department of Attorney General; John Ryan and Jacqueline Kelly for the Rhode Island Department of Administration; Paul Grenon and Louis Joseph from the Rhode Island Department of Mental Health, Retardation and Hospitals; Robert Marcella from Oak Harbour Village; and Frank Geary from the Blackstone River Watershed Council, Friends of the Blackstone River.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the minutes from the meeting of March 2, 2010, by Mr. Woolley and seconded by Mr. Griffith. Motion passed three (3) votes “Aye” with two (2) abstentions.

Three (3) Votes “Aye”

Mr. Woolley
Mr. Griffith
Chairman Flynn

Two (2) Abstentions

Mr. Pagliarini
Mr. Kay

ITEM A – Department of Attorney General – A request was made for approval of and signatures on a Lease Agreement by and between Central Parking Systems of Rhode Island and the Department of Attorney General for the use of seventy (70) parking spaces located at Tockwotton Street, South Main Street and South Water Street in the City of Providence for employee parking. Mr. Cotta explained that the I-195 Relocation Project eliminated numerous employee parking spaces. Mr. Cotta indicated that as part of the Department of Attorney General’s review, it made a concerted effort to secure parking for staff whose parking spaces were eliminated while attempting to reduce the Department’s cost for alternative parking. Mr. Cotta indicated that he believes the Department has been very successful in accomplishing its goal. Mr. Cotta stated that the Department will continue to pool available parking among staff on a rotating basis as there are still an inadequate number of parking spaces to accommodate all personnel at all times; however, this arrangement will save the Department in excess of \$40,000 per year. Chairman Flynn asked what percentage of the Department’s staff is without parking. Mr.

Cotta indicated that presently there are approximately eighty (80) individuals without regular parking. Mr. Cotta stated that the subject Lease Agreement will create an additional thirty (30) parking spaces and again, the privilege to utilize said spaces will be rotated among staff on a bi-monthly basis. Mr. Cotta noted that a few staff members have assigned parking; however, the majority of employees participate in a rotating schedule. Chairman Flynn noted that the Department of Attorney General is fairly unique among State agencies in not having guaranteed free parking. Mr. Cotta stated that the lack of available parking is the single biggest complaint of the staff and he anticipates that the dissatisfaction will only increase once the staff realizes that the new facility is even further away from the office than the previous site. Mr. Cotta indicated that the new site is much less expensive than any other facility explored by the Department. Mr. Khamsyvoravong asked what the “all in” annual parking expense will be for the Department under the new arrangement. Mr. Cotta indicated that the annual expense is \$67,000; currently the Department expends \$97,000 annually on employee parking. Chairman Flynn noted that the previous employee parking spaces located beneath the Iway were not free of charge. Mr. Cotta indicated that the Department was paying \$200 per month for each of the thirty-five spaces. The number of available parking spaces under the new arrangement has been increased to a total of seventy (70) parking spaces; however, the fee has been drastically reduced. Mr. Cotta stated that the Lease Agreement is for a term of five (5) years. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith. Said Motion passed four (4) votes “Aye” with one (1) recusal.

Four (4) Votes “Aye”

Mr. Pagliarini
Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Recusal

Mr. Woolley

ITEM B – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and the Department of Attorney General for the use of 13,240 square feet of land located at Tockwotton and India Streets in the City of Providence for employee parking. The site will accommodate thirty-five (35) vehicles. Mr. Carcieri explained that when the Department enters into a License Agreement with a fellow State agency some of the terms and conditions are obviously relaxed. The typical insurance language has been substituted by invoking the State Tort Act. Mr. Carcieri indicated that the License Agreement is for a term of two (2) years in order to allow the Departments to re-evaluate the parking situation once the I-195 properties begin to be disposed and divested. The License Agreement is a gratis agreement; however, the value of the thirty-five (35) parking spaces is approximately \$30,000 per year, which the Department of Transportations perceives as a substantial savings to the Department of Attorney General as well as to the State. The site is an enclosed, striped lot located beneath the new Iway. Mr. Pagliarini asked, in total, how many parking spaces the Department has beneath the Iway. Mr. Carcieri indicated there are a total of seventy (70) parking spaces. Mr. Carcieri referred to a site map and explained that the opposite half of the lot is under license to Capital City Developments, a private entity, and said arrangement is part of a settlement agreement that resolved litigation against the Department of Transportation.

The State Properties Committee granted its approval of that License Agreement in late 2009. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay. Said motion passed four (4) votes “Aye” with one (1) recusal.

Four (4) Votes “Aye”

Mr. Pagliarini
Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Recusal

Mr. Woolley

A motion to hear Item E out of sequence was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Quitclaim Deed, a Temporary Construction Easement and an Access Easement Agreement relative to the conveyance of 15,750 square feet of property from TAI-O Associates, L.P. to the Department of Environmental Management. Director Sullivan noted that the majority of State Properties Committee members previously approved this acquisition in terms of the negotiations. Director Sullivan explained that while the acquisition is for a relatively small parcel of land for what appears to be a rather large purchase price, the Department is actually purchasing a barrier, which prevents the upward migration to approximately 2,200 acres of spawning habitat of a critical fishery that the Department has worked very hard to restore. Director Sullivan indicated that this property is the final barrier. Chairman Flynn asked how far up the river the next barrier is. Director Sullivan stated that the next dam is the Valley

Falls Dam and from there the river continues all the way to the City of Woonsocket.

Director Sullivan stated that the funds for the restoration projects concerning dams 1, 2 and 4 are in place; however, not all of the funding for the construction of the fish ladder at the subject property has been secured, because the Department is still assessing what the most cost effective, long term engineered solution is for the restoration project.

Chairman Flynn noted that a settlement agreement of \$330,000 was previously discussed with the Committee and at that time, the Department indicated it needed to obtain EPA approval; Chairman Flynn asked if the Department had received said approval. Ms. Primiano stated that EPA approval has been obtained; however, the amount of the settlement may be slightly higher due to the accrual of calculated interest until the day the Department receives the funds. Therefore, the actual total amount may be closer to \$335,000. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM C – Department of Mental Health, Retardation and Hospitals –

A request was made for conceptual approval of a proposed Lease Agreement between the Department of Mental Health, Retardation and Hospitals and Pendar Realty Group, I, LLC for 3,390 square feet of rental space located at Oak Harbour Village, 567 South County Trail in the Town of Exeter. Mr. Grenon explained that the subject property will be utilized as a day program for individual with developmental disabilities. The site is operated by Rhode Island Community Living and Supports (“RICLAS”). Mr. Grenon explained that RICLAS will close two (2) of its existing sites located in the Towns of North Kingston and Hopkinton subject to the approval of the proposed lease agreement . Mr. Grenon stated that the Hopkinton site is housed in a State-owned building, which the

Department plans to dispose of as surplus property in the future. Mr. Grenon asked Mr. Joseph to provide a brief summary of the day program for the benefit of the Committee. Mr. Joseph explained that due to recent retirements in the past several years, the day program staff has been significantly reduced. Therefore, the Hopkinton site and the North Kingstown site are actually too large for the number of individuals, which participate in the program as well as the number of staff members that assist with its operation. Mr. Joseph stated that the RICLAS is seeking a smaller site and will in fact decrease the amount of existing space by one half subject to the approval of the proposed lease agreement. Therefore the proposed arrangement will result in substantial savings to the Department including the cost of the utilities and the cost to maintain the two existing facilities. The Department's proposal is to relocate to a median site that is central in location to both the Hopkinton and North Kingstown sites. Mr. Joseph explained that some of the individuals that attend the day program are very fragile in nature and the issue of travel distance is of great concern to them. Mr. Joseph indicated that the proposed lease agreement is for a term of five (5) years and includes a fixed rental rate for the entire five (5) year term. However, Mr. Joseph indicated that rental fee for the Lafayette Center is due to increase by several thousand dollars within the next year. Mr. Joseph indicated that the subject property is a newer and smaller facility, which will be easier to heat and it is anticipated that all utility costs will be reduced. The new facility will accommodate approximately thirty (30) disabled individuals and six (6) staff members. Chairman Flynn asked if State or Federal funds will finance the costs of the day program and facility. Mr. Joseph indicated the program is funded by the State of Rhode Island. However, there is a federal reimbursement through the Day Habilitation

Program and therefore, the program actually generates revenue. Mr. Pagliarini asked how much the Department is currently paying for the two existing facilities. Mr. Joseph stated that the Lease of the Lafayette Center is \$66,600.00 plus the cost of electricity and the Highview Day site is a State-owned building and the expenses are restricted to those for the general maintenance of the facility. However, that site is located in an old church that was purchased by the State many years ago. Said facility is in need of various upgrades such as the replacement of the HVAC system, substantial repairs or replacement of the elevator, which accommodates the handicapped clients. Additionally, the septic system is a constant source of problems especially during the summer months resulting in a substantial amount of wasted water. Mr. Pagliarini noted that the CAM charges total an additional \$251.00 per month. Mr. Joseph indicated that the CAM charges are included in the monthly rental fee. Mr. Pagliarini asked whether the Department is comfortable that \$17.00 per square foot for space located in Exeter is a fair and reasonable rental rate value. Mr. Joseph noted that he is not all that familiar with fair market rental values. Mr. Pagliarini indicated space can be leased on Centerville Road in Warwick; a more desirable location, for \$17.00 per square foot. Mr. Joseph explained that the primary concern of the Department is to secure a central location for the new site. Mr. Pagliarini asked if an inquiry had been made to the University of Rhode Island regarding suitable available space, as it seems to him the University would be ideal in terms of location. Mr. Griffith asked if a future increase in the number of clients and/or staff would overwhelm this smaller facility. Mr. Joseph explained that he does not anticipate an increase in the number of staff. Requests for additional staff have been made over the past few years and have been denied. If the number of clients were to

increase, the Department does not feel as though the site would be over burdened.

Chairman Flynn stated that there is a disconnect between the submission memorandum, the action request form and the Lease Agreement provided to the Committee. Chairman Flynn noted that the disparity in the rental fee amounted to approximately \$600.00 and asked what the pleasure of the Committee is. A motion to deny was made by Mr. Pagliarini and seconded by Mr. Kay.

Under discussion, Mr. Griffith indicated that he assumed that the maker of the motion to deny did so due to the lack of an inquiry to the University of Rhode Island regarding the potential for suitable space. Mr. Griffith suggested that rather than deny the motion, the Committee move to table the matter to a future meeting of the State Properties Committee to allow the Department to explore the possibility of suitable space at the University of Rhode Island. Mr. Pagliarini indicated that he would withdraw his motion to deny. A motion to table this matter to a future meeting of the State Properties Committee was made by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

Under further discussion, Chairman Flynn recommended that an appraisal of the subject property be conducted to determine fair market rental value as well as utilizing the comparable property method to determine rental fees in the area.

ITEM D– Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 65 acres of land located along Williams Road and Log Road in the Town of Smithfield; referred to as the Judson Farm Property. Ms. Primiano explained that an open space grant was awarded from the Department in 2006, relative to the subject property. The Smithfield Land Trust has been

negotiating with the land-owner and as the real estate market continues to decline the parties were finally able to reach an agreement relative to the purchase price. The Smithfield Land Trust has completed its due diligence. Ms. Primiano stated that the Smithfield Land Trust and the Department have finalized the Conservation Easement Agreement language, which is the standard form utilized by the Department. The Smithfield Land Trust has a property management plan, which opens the property to the public for use of hiking trails and other passive recreation. The Smithfield Land Trust has been working with the Smithfield School Department and local volunteers to create the trail system and to manage existing trails. The property will also include a kiosk, where trail maps will be available. Ms. Primiano stated that the subject property ties into other protected lands in the area. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Administration – A request was made for permission to negotiate a purchase and sale contract as well as a lease agreement with the successful respondent of bid invitation SPLP 145, for the acquisition of State-owned property located at 1670 Hartford Avenue in the Town of Johnston. By way of background, Mr. Ryan noted that he previously appeared before the State Properties Committee on December 8, 2009, requesting permission to advertise a Request for Proposals (“RFP”) for the sale of the State of Rhode Island Informational Technology Center located at the aforementioned address. Mr. Ryan explained that the Department advertised the RFP for three (3) consecutive weeks and held a pre-bid meeting at the site. The bids were opened on Friday, March 12, 2010. Mr. Ryan presented an informational handout for the

Committee's review. Mr. Ryan stated that the Department received only two (2) responses. Mr. Ryan stated that one bid submitted by Michael Grieco offered \$1,402,000 to purchase the property and submitted a lease proposal for \$108,000 per year. The other bid submitted by Tower Construction Company offered \$925,000 to purchase the property and proposed to lease the property back to the State of Rhode Island for an annual fee of \$150,935. Mr. Ryan indicated that obviously with regard to both the purchase price and lease proposal, Mr. Grieco is the successful candidate. The Department is now seeking approval to negotiate the terms and conditions of a purchase and sale contract and a lease agreement with Mr. Grieco. For the record, Chairman Flynn asked Mr. Ryan to explain why the leasing of the property back to the State of Rhode Island for a period of time is necessary. Mr. Ryan explained that the lease back to the State is necessary because the Informational Technology ("IT") operation is being relocated to a recently purchased building located at 50 Service Avenue in the City of Warwick, and although the existing data system facility is very good, it does need to be enlarged to suit the specific needs of the DoIT operation. Mr. Ryan indicated that DoIT has developed a plan and commissioned an architect to finalize said plan and draw up the contract specifications. Once that is accomplished, the contract will be put out to public bid. Therefore, DoIT needs additional time to complete the build-out of the new facility prior to relocating the operation. Mr. Pagliarini asked how long the term of the lease will be. Mr. Ryan noted that the Department is seeking a one-year term with the option to terminate said lease after the first six (6) months, with thirty (30) days advance notice, as well as an option to renew the lease on a month-by-month basis if necessary. A motion was made to approve by Mr. Pagliarini and seconded Mr. Woolley.

Passed Unanimously

ITEM G – Department of Revenue/Division of Motor Vehicles – A request for approval of and signatures on a Lease Agreement by and between the Department of Revenue and the Rhode Island Public Transit Authority for the premises located at 325 Melrose Street in the City of Providence. *This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.*

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-5(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.

A motion to enter into Executive session was made by Mr. Griffith and seconded by Mr. Woolley.

A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye”, Mr. Pagliarini voted “Aye”, Mr. Kay voted “Aye”, Mr. Woolley voted “Aye” and Chairman Flynn voted “Aye”.

ITEM E1 – Department of Transportation – A request for approval of and signatures on a Temporary Easement Agreement by and between the Providence & Worcester Railroad and the Department of Transportation for an easement over 23,809 square feet of land located from Warren Avenue to Dexter Road in the City of East Providence for the construction of Waterfront Drive. *This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Transportation.*

ITEM E2– Department of Transportation – A request was made for conceptual approval to initiate the acquisition of land necessary located on Power Road (a/k/a

Howard Service Road) in the City of Cranston by virtue of Condemnation Plat 2733 and for authorization to enter into discussion with the City of Cranston relative to compensation. After a discussion in Executive Session, a motion was made to approve by Mr. Woolley and seconded by Mr. Griffith. Said motion passed four (4) votes “Aye” with one (1) recusal.

Four (4) Votes “Aye”

Mr. Woolley
Mr. Griffith
Mr. Kay
Chairman Flynn

One (1) Recusal

Mr. Pagliarini

The State Properties Committee returned to the regular session of the State Properties Committee at 10:57 a.m.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:58 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MARCH 2, 2010

The meeting of the State Properties Committee was called to order at 10:10 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; and Xaykham Khamasyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Lisa Primiano, John Faltus, Steven Wright and Robert Paquette from the Rhode Island Department of Environmental Management; Paul Carcieri, Annette Jacques and Bruce Cadden from the Rhode Island Department of Transportation; Christopher Cotta from the Rhode Island Department of Attorney General.

Chairman Flynn noted for the record that the State Properties Committee did have a “minimal” quorum present.

A motion was made to approve the meeting minutes from the meeting of February 16, 2010, by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

Chairman Flynn stated that Items A and B are deferred to the next scheduled meeting of the State Properties Committee due to the lack of a sufficient quorum with the potential recusal of Mr. Woolley from the Department of Attorney General. Chairman Flynn also noted that Item E1 is deferred to the next scheduled meeting of the State Properties Committee at the request of the Department of Transportation.

ITEM A – Department of Attorney General – A request for approval of and signatures on a Lease Agreement by and between the Central Parking Systems and the Department of Attorney General for the use of seventy (70) parking spaces located at Tockwotton, South Main Street and South Water Streets in the City of Providence for employee parking. *Item A is deferred to the next scheduled meeting of the State Properties Committee.*

ITEM B – Department of Transportation – A request for approval of and signatures on a License Agreement by and between the Department of Transportation and the Department of Attorney General for the use of 13,240 square feet of land located at Tockwotton and India Streets in the City of Providence for parking for thirty (30) employee vehicles. *Item A is deferred to the next scheduled meeting of the State Properties Committee.*

ITEM C – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Corliss Landing Condominium Association for use of 6,014 square feet of State-owned land located at the convergence of Point, South Water and South Main Streets in the City of Providence. Mr. Cadden stated that the subject property is currently in use by the Corliss Landing Condominium Association (the “Association”). The Association owns land which abuts the subject property. Mr. Cadden indicated that the License Agreement is for a term of five (5) years with a monthly rental fee of \$400.00. Said rental fee will be reviewed at the expiration of the third (3rd) year. Chairman Flynn asked if the Department is requesting a renewal of an existing license agreement. Mr. Cadden explained that the Association previously entered into a License Agreement with the

Department for use of this property with a rental rate of \$423.00 per month; however, it was over 9,000 square feet of property. The Department recently surveyed the property and learned that the actual use is 6,014 square feet of property. Therefore, Mr. Cadden did not categorize this request as a renewal, as it is actually a new License Agreement between the parties. Mr. Cadden noted that the Association has had a license agreement involving this property since 1997. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 95.54 acres of land located along William Reynolds Road in the Town of Exeter; referred to as a portion of the former Ladd Property. Ms. Primiano presented a map of the subject property for the Committee’s review. The property abuts other protected land owned by the Nature Conservancy and the Audubon Society. Ms. Primiano explained that in 1998, Governor Almond agreed to work with the Department and other conservation agencies to execute an easement over the subject property. After many years and personnel changes, the Department has finally completed an acceptable document. The Conservation Easement Agreement (the “Easement”) primarily protects the wetlands on the property and specifically addresses the need to protect the water quality, which is very important to Quonset Point Development Corporation, the Town of Exeter as well as the State of Rhode Island. Ms. Primiano stated that development has been proposed for this site and a series of discussions and plans concerning the Fire Training Academy have taken place. Therefore, the Department made the acquisition of this Easement a priority to ensure that

the wetlands and the water quality are protected. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement by and between the Department of Environmental Management and Mr. George Wein/New Festival Productions, LLC for the presentation of the Folk and Jazz Festivals at Fort Adams State Park in the City of Newport. Mr. Faltus stated that last year the State Properties Committee approved a one (1) year License Agreement with Mr. George Wein for continued presentation of the Folk and Jazz Festivals as it was the 50th Anniversary of the Folk Festival and the 55th Anniversary of the Jazz Festival. Mr. Faltus explained that in 2008, the Department terminated the License Agreement, which had been negotiated with Festival Network due to their refusal to meet their obligations under the License Agreement. After this year's festivals, Mr. Wein approached the Department and expressed an interest in continuing the legacy of the festivals at Fort Adams State Park and asked if the Department would enter into a new three (3) year License Agreement, which is before the Committee this morning. Mr. Faltus stated that the Department understands the importance and legacy of these festivals as well as the quality of the productions Mr. Wein presents. Mr. Faltus stated that the Department negotiated a new License Agreement with some modifications to Article 40 concerning the fee. The fee is now a flat rate fee with a percentage of sponsorship. The Department believes this is an equitable Agreement, which protects the interests of the State of Rhode Island and Mr. Wein. Mr. Faltus respectfully requested the Committee's approval and execution of the new three (3) year License Agreement.

Chairman Flynn clarified that the only time there has ever been problems associated with the festivals is when Festival Network took over the presentation of the festivals in 2008. Mr. Faltus stated that is correct and explained that the License Agreement was barely in the second year of the five year agreement at the time the Department terminated the same. Mr. Faltus believes that Festival Network greatly over extended itself in 2008, with the booking of James Taylor. Festival Network experienced some serious financial difficulties and the Department advised them that it would pursue legal action unless they fulfilled their obligation to the State of Rhode Island. Festival Network did in fact settle with the State, but the Department determined it would be prudent to terminate the License Agreement. Mr. Faltus noted that Mr. Wein did not want these festivals, which he has spent a life time building up, to end on that note so he approached the Department requesting a new license agreement be negotiated to allow the presentation of the festivals to continue on the strength of his reputation. Mr. Faltus stated that because of Mr. Wein's exemplary track record, the Department agreed to negotiate a new contract. Mr. Woolley asked if the Department has heard from Festival Network. Mr. Faltus stated that to his knowledge, the Department has received no further communications from Festival Network nor has it received any legal correspondence since 2008. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made to review and discuss the results of the Request for Proposals for a five (5) year Concession Contract for the operation, management and collection of parking fees at State operated beaches and for authorization to award said contract. Mr. Faltus began by thanking the

State Properties Committee for its patience during this process and commended the Division of Purchases for its efforts in bringing this Concession Contract to fruition. Mr. Faltus explained that at a special meeting held on December 28, 2009, the State Properties Committee granted the Department's request for permission to work with the Division of Purchases to issue a Request for Proposals (the "RFP") to solicit bids for a five (5) year Concession Contract for the operation, management and collection of parking fees at State operated beaches. Mr. Faltus stated that the Department received a total of five (5) responses to said RFP. Mr. Faltus indicated that an in-house committee was established to conduct an extensive review of the five (5) proposals that were submitted as well as a scoring system to determine the successful candidate. Subsequent to said evaluation, two (2) of the respondents were chosen as finalists. The finalists were further interviewed and evaluated by the review committee. Mr. Faltus indicated that based upon said interviews and evaluations, the Department submitted its recommendation to the Division of Purchases. The Division of Purchases advised the Department that it should reissue a modified RFP requesting a final and best offer from all five (5) vendors. Mr. Wright explained the one of the two finalists wanted to eliminate the insurance requirement for gatekeeper's insurance, which would allow successful vendor to provide valet parking at the beaches. One of the finalists did not wish to offer said service and therefore, did not wish to pay for the additional insurance requirement. The Division of Purchases did in fact eliminate the gatekeeper's insurance requirement and requested that all five (5) of the original respondents submit a best and final offer. Mr. Wright apologized for inundating the Committee with the information regarding the best and final offers at such a late time; however, said information did not become available

until yesterday, Monday March 1, 2010. Mr. Wright stated that the portion of the handout highlighted in red represents the results of the best and final offers received from the Division of Purchases at 12:00 p.m. yesterday. Mr. Wright indicated that the committee conducted its evaluation of said results and again submitted a recommendation to the Division of Purchases, which is prepared to forward a tentative letter of award to Pro Park, Inc. subject to the State Properties Committee's approval of the same.

Chairman Flynn asked Mr. Wright to explain the best and final offer process through the Division of Purchases. Chairman Flynn noted that the final scores were very close. Mr. Wright agreed that the scores were very close and stated that originally the two finalists were In Town and Pro Park, Inc. The review committee felt that Pro Park was much more prepared and better organized for the upcoming beach season than In Town; however, the Department could not dispute the financial commitment from In Town. Mr. Wright explained that because of the concerns regarding the gatekeeper's liability insurance requirement, the Division of Purchases felt it would be prudent to request a best and final offer after the elimination of said requirement. Mr. Wright stated that if, in the future, the successful vendor wishes to offer such a service with the approval of the Department, the vendor can secure the required insurance coverage at that time. Mr. Wright indicated that valet service was left as a possible arrangement in the future, but indicated that Department has concerns and is not convinced that such an arrangement would be in its best interest. However, the gatekeeper's liability insurance requirement was eliminated from the RFP. Based upon the modified criterion, the five (5) original vendors had an opportunity to submit a best and final offer. Mr. Wright stated that In Town actually decreased its guaranteed minimum bid and Pro Park increased its

guaranteed minimum bid slightly; creating a \$5,000± difference between the two proposals. Mr. Wright explained that after receiving the results from the Division of Purchases and in view of the Department's favorable impression of Pro Park, the Department submitted a recommendation identifying Pro Park as the successful candidate. Chairman Flynn asked which of the companies was in favor of providing valet service. Mr. Wright indicated that it was Pro Park that was in favor of valet service; however, valet service was eliminated from the RFP as a specification. Chairman Flynn asked if any of the five (5) respondents were aware of the initial evaluation scores. Mr. Wright indicated that none of the respondents were aware of the initial scores. Chairman Flynn wondered why In Town would have lowered its guaranteed minimum bid. Mr. Paquette indicated that he has no idea why In Town lowered its guaranteed minimum bid and indicated that the review committee was equally confused by that decision. Mr. Paquette noted that the other four (4) respondents all increased their bids; In Town was the only respondent that lowered its bid. However, Mr. Paquette noted that In Town was actually considering withdrawing its proposal if the gatekeeper's liability insurance requirement was not eliminated from the RFP. Mr. Wright stated that the Department requested permission, through the Division of Purchases, to further interview and evaluate the two companies, which it deemed the most qualified. Mr. Woolley asked what the Department's experience was with Pro Park when they operated the Dutch Inn's parking lot. Mr. Wright indicated that the Division of Parks and Recreation does not manage the Dutch Inn's parking lot. Mr. Woolley then asked if the Division of Parks and Recreation has made an inquiry to whatever division does manage said parking lot regarding its experience with Pro Park. Mr. Paquette indicated that he was not aware of

such an inquiry. Mr. Woolley noted that at one time Pro Park operated the Dutch Inn's parking lot; however, it is now operated by In Town. Mr. Woolley wondered why one vendor was substituted for the other. For the benefit of the Committee, Chairman Flynn asked Mr. Wright to explain what transpired between the Division of Purchases and the Department regarding the selection of the successful vendor. Mr. Wright explained that on Friday, February 26, 2010, the Division of Purchases contacted all five vendors and requested that they submit a best and final offer to the Division of Purchases on or before March 1, 2010, at 12:00 p.m. The Division of Purchases then forwarded said proposals back to the Department and the review committee, once again, evaluated said proposals and the documentation provided to the State Properties Committee today is the result of those evaluations. Chairman Flynn noted that in reviewing the documents, it appears that when the amount of revenue currently realized by the State from the beach parking lot operation is compared to the vendor's guaranteed minimum bids there is not a radical difference. Chairman Flynn asked Mr. Wright to explain why the Department feels it is in its best interest to delegate operation and management of the beach parking lots to an outside vendor at this time. Mr. Wright indicated that the Department has carefully considered that very question. Mr. Wright explained that the Department has historically preferred to be in control of the operation of its facilities; however, over the years, the Department has been concerned about a number of issues, which have arisen regarding the operation of beach parking lots. Mr. Wright indicated that the primary issue involves the handling of money. The Department very rarely, if ever, divulges the amount of revenue it procures. In fact, the amount of revenue received was not included in the RFP; it was not disclosed until the mandatory pre-bid. Chairman Flynn asked Mr. Wright to

clarify what he means by “the handling of money.” Chairman Flynn asked if he was referring to the inherent temptations involved in the handling of actual cash. Mr. Wright stated that is correct and explained the Department employs seasonal help to collect the parking lot fees and unfortunately, the misappropriation of cash by staff is a constant concern. Depending upon the degree of technology and quality of anti-theft equipment, the cost can be substantial. Mr. Wright indicated that five (5) years ago the Department invested \$545,000 for this equipment and needs to purchase updated equipment at this time. Mr. Wright stated that the depositing of money at the end of each business day is a major concern. Mr. Wright explained that at any given location, up to \$20,000 dollars in parking fees can be collected in a single day and either the seasonal beach manager or seasonal park rangers are responsible for depositing the money in local banks. This has always caused that Department a great deal of concern, but funds to hire an outside agency to deposit the money were never available. Mr. Wright noted that due to the significant decrease in staff, the Department is losing the ability to manage these types of large endeavors. Mr. Faltus stated that as the state beaches are seasonal in nature, they are one hundred (100%) percent staffed by seasonal employees. Over the years, the Department has been fortunate to find responsible individuals to fill these seasonal positions, particularly the seasonal beach managers. This position involves a great deal of responsibility and takes up a lot of time. The beaches are supervised by only one, perhaps two full-time supervisors, which have multiple responsibilities. Mr. Faltus indicated that due to the cut back in full time supervisors, it is becoming increasingly more difficult and costly to provide the level of supervision necessary to ensure the operation and collection of a rather large amount of revenue. Mr. Woolley asked what

will become of the \$545,000 worth of equipment previously purchased by the Department. Mr. Wright indicated that the Department will surplus the equipment in the event this proposal is approved. Chairman Flynn stated that he remembered someone saying that the Department will be required to purchase new equipment at substantial cost to the Department if this proposal were not approved. Mr. Wright stated that is correct. The Department will be required to replace the loops in the roads and entranceways as well as purchase new upgraded equipment such as camera or handheld devices to facilitate expedited admission to the beaches. The Department has also seriously considered credit card use, which will require the purchase of additional equipment. Mr. Wright stated that in either event, time is of the essence; either the Department has to purchase and install the new equipment or the vendor needs to provide its submittals, acquire the equipment and hire and train staff. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E1 – Department of Transportation – A request for approval of and signatures on a Temporary Easement Agreement by and between the Providence & Worcester Railroad and the Department of Transportation for an easement over 23,809 square feet of land located from Warren Avenue to Dexter Road in the City of East Providence for the construction of Waterfront Drive. *Item E1 is deferred to the next scheduled meeting of the State Properties Committee at the request of the Department of Transportation.*

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:46 a.m. A motion was made to adjourn by Mr. Griffith

and seconded by Mr. Woolley

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, FEBRUARY 16, 2010

The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; John A. Pagliarini, Jr., and Mr. Robert W. Kay, Public Members; and Xaykham Khamsyvovong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; Lisa Primiano and John Faltus from the Rhode Island Department of Environmental Management; Paul Carcieri, Bruce Cadden, Colleen Kerr, Eva Bernardo, Leroy Archibald, Susan Howe and Gilbert Bricault from the Rhode Island Department of Transportation; Frank Di Maio and Ted Polak from the John E. Fogarty Center; and Katherine Trapani from the Quonset Development Corporation.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion was made to approve the meeting minutes from the meeting of November 24, 2009, as amended, by Mr. Pagliarini and seconded by Mr. Griffith. Said motion passed four (4) votes "Aye" with one abstention.

Four (4) Votes "Aye"

Mr. Griffith
Mr. Woolley
Mr. Pagliarini
Chairman Flynn

One (1) Abstention

Mr. Kay

A motion was made to approve the meeting minutes from the meeting of December 8, 2009, as amended, by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

A motion was made to approve the meeting minutes from the meeting of February 2, 2010, as amended, by Mr. Pagliarini and seconded by Mr. Griffith. Said motion passed four (4) votes “Aye” with one abstention.

Four (4) Votes “Aye”

Mr. Griffith
Mr. Woolley
Mr. Pagliarini
Chairman Flynn

One (1) Abstention

Mr. Kay

ITEM A – Department of Mental Health, Retardation and Hospitals – A request was made for approval of and signatures on a Quit Claim Deed by and between the Department of Mental Health, Retardation and Hospitals (the “Department”) and the John E. Fogarty Center (the “Fogarty Center”) conveying property located at 492 South Main Street in the City of Woonsocket. Mr. Grenon explained that on January 19, 2010, the State Properties Committee granted the Department’s request for conceptual approval to convey the subject property. Mr. Grenon indicated that the Department is back before the Committee today requesting final approval and execution of the Quit Claim Deed. Mr. Grenon stated that the property will be renovated and utilized as permanent housing for

approximately ten (10) displaced veterans. A motion to approve was made by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM B – Department of Environmental Management – A request to review and discuss the results of the Request for Proposals for a five (5) year Concession Contract for the operation, management and collection of parking fees at State operated beaches and for authorization to award said contract. *Item B is deferred to a future meeting of the State Properties Committee.*

ITEM C – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement with Authorization to Serve Alcoholic Beverages by and between the Department of Environmental Management and the Fort Adams Foundation and Trust in conjunction with the James J. Maher Center and the Cranston ARC to hold a fund-raising concert with a VIP Reception on Friday, June 25, 2010, with a rain date of Saturday, June 26, 2010. Mr. Faltus explained that this is the first of several annual requests the Department receives through the Fort Adams Foundation and Trust for events it wishes to hold at Fort Adams State Park with Authorization to Serve Alcoholic Beverages. This event is a fund-raising concert to benefit the James J. Maher Center and the Cranston ARC. Mr. Faltus stated that the appropriate Certificate of Insurance including host liquor liability has been submitted to the Department and remains in full force and effect until January 2011. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM D– Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over a .14 acre parcel of land located at East Beach in the Town Charlestown; referred to as the East Beach Property. Ms. Primiano stated that the Department is seeking approval to accept the donation of a conservation easement over a very small parcel of land on East Beach. Ms. Primiano presented a location map for the Committee’s review and illustrated the location of the subject property. Ms. Primiano explained that four (4) years ago the Department acquired an easement over approximately fifty (50) abutting acres of protected land and the subject property is simply a small addition to that acquisition. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Deed to Conservation Easement by and between the Department of Environmental Management and Carolyn Hoxsie & Georgiana Brennan over 117 acres of land located along Main Street in the Town of Hopkinton; referred to as the Hoxsie Property. Ms. Primiano stated that the Forest Legacy Program provided one hundred (100%) percent of the funding for this acquisition. The landowners are donating ten (10%) percent of the purchase price to the Department. Once the Deed to Conservation Easement is finalized, the property will be purchased and managed by The Nature Conservancy and will be open to the public. Ms. Primiano illustrated the location of the trail systems and the unique features of the property for the Committee using a site map. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Quit Claim Deed by and between the Quonset Development Corporation and the Department of Transportation conveying 32,787 square feet of land located within the Quonset Business Park on Gate Road in the Town of North Kingstown. Ms. Kerr explained that the subject property was being conveyed by the Quonset Develop Corporation to the Department in concurrence with Physical Alteration Permit No. 071127-A to construct roadway improvements and improvements to an existing roundabout within the Quonset Office Park. Ms. Kerr indicated that at this time, the Department is seeking approval and execution of the Quit Claim Deed. Ms. Kerr and Ms. Trapani clarified the exact location of the subject property for the Committee. Mr. Woolley noted that the property comprised myriad encumbrances and asked if the Department of Transportation is agreeable to obtaining said property subject to these preservation requirements. Ms. Kerr stated that the Quit Claim Deed was reviewed and approved by the Department’s Legal Division. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for approval of and signatures on four (4) Temporary Use Agreements by and between the Department of Transportation and (1) Dennis R. and Nancy M. Martin; (2) Michael Bento; (3) Kevin C. and Theresa A. Martin; and (4) Ann A. Post, Jessica P. Reis and Rebecca A. Post relative to the 1R Highway Improvements to South Main Street (Route 114) in the Town of Warren. Ms. Kerr indicated that before the Committee today is four (4) executed Temporary Use Agreements to allow the Department to gain access onto privately owned

property in order to construct new sidewalks as the trees on the property are uprooting the sidewalks. Ms. Kerr stated that in accordance with the requirements of the Americans with Disabilities Act, the Department is obligated to repair the same. The property owners have executed said Agreements to allow the Department to access the property without compensation. Mr. Griffith asked if the Department would have to remove the trees. Ms. Kerr explained that the Department will work around the trees utilizing tree protection devices. A motion was made to approve by Mr. Kay and seconded by Mr. Woolley.

Passed Unanimously

ITEM H – Department of Transportation – A request was made for approval of and signatures on a Temporary Use Agreement by and between John W. Hagan and Alice N. Hagan *and* the Department of Transportation for use of property located at 440 East Road in the Town of Tiverton. Ms. Kerr explained that this Temporary Use Agreement is part of a Statewide Drainage Improvement Project. Ms. Kerr explained that water gathers on the subject property causing hydroplaning. The Department intends to re-grade the road and match up the private property owners existing driveway with the road. The property owners have executed the Agreement and have agreed to the condition that no compensation shall be paid for said temporary use. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM I – Department of Transportation – A request was made for approval of and signatures on a Grant of Easement Agreement by and between the Department of

Transportation and the City of Newport over approximately 72,000 square feet of land located adjacent to the Newport Secondary Railroad Line in the City of Newport.

Mr. Cadden explained that the Grant of Easement Agreement will allow the City of Newport to make improvements to an existing sewerline. Mr. Cadden stated that said easement is perpetual and non-exclusive and the Agreement is revocable at will. The City of Newport intends to reline the sewers and place manhole covers along the Newport Secondary Line. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Chevron U.S.A., Inc. for the use of 10.1 acres of land located along Veterans Memorial Parkway in the City of East Providence. Ms. Bernardo presented a map and an aerial photograph of the subject property. Ms. Bernardo illustrated that exact location of the property and noted that it is eighty (80') feet wide and one hundred fifty-five (155') feet in length. Mr. Bernardo stated that Chevron wishes to utilize the area for environmental remediation, which will include grubbing, remedial design investigations, test pits, monitoring wells and soil borings. The License Agreement is for a term of two (2) years and is being granted gratis by the Department subject to the Committee's approval. Ms. Bernardo noted that the environmental remediation activities are being compelled by the Department of Environmental Management. Chairman Flynn stated that he assumes that Chevron will be conducting remediation work on the entire area, part of which is controlled by the Department of Transportation, as this is one of the most

important real estate developments in the City of East Providence. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM K – Department of Transportation – A request was made for approval of and signatures on a Right of Entry for Construction Agreement by and between the Department of Transportation and the United States Army Corps of Engineers in conjunction with the Woonsocket Flood Reduction Project. Mr. Archibald explained that the United States Army Corps of Engineers has requested a Right of Entry Agreement relative to two (2) parcels of land located in the vicinity of the Blackstone River in the City of Woonsocket. The parcels consist of 6,075 square feet of land. The United States Army Corps of Engineers wishes to use the land for the placement of sheds, equipment and possibly for the landing of helicopters in conjunction with the Woonsocket Flood Reduction Project. Mr. Archibald stated that the land will be patrolled and policed by the United States Government. Mr. Archibald stated that in the event of any damage to the subject property, the United States Army Corps of Engineers will repair said damage or “make an appropriate settlement” with the Owner. Chairman Flynn asked who is responsible for the maintenance of the subject property. Chairman Flynn noted that recently an item came before the Committee, which involved the United States Army Corps of Engineers taking over the Fox Point Hurricane Barrier. Mr. Archibald stated that in accordance with the Agreement, the United States Army Corps of Engineers is responsible for maintaining the subject property. Chairman Flynn asked if they have been responsible for maintaining the property in the past. Mr. Carcieri explained that the United States Army Corps of Engineers is a rather peculiar grantee, in that the

Department is not able to maintain the standard level of control it desires in other transactions. Mr. Carcieri explained that what happened with regard to the Fox Point Hurricane Barrier had to do with a formal transfer of the Barrier property from the City of Providence to the United States Army Corps of Engineers; therefore, they will be the grantee of said property in the future. However, Mr. Carcieri explained that in this instance, the United States Army Corps of Engineers will be providing maintenance over the property for a term of two (2) years. In the past, the United States Army Corps of Engineers has agreed to language to invoke the Federal Torts Claim Act; whereby, in the event of any damage they are solely responsible for the cost to repair said damage subject to approval by Congress. Mr. Carcieri stated that his best answer to Chairman Flynn's question is a "qualified yes." The United States Army Corps of Engineers will maintain the property, but if any damage is caused, beyond routine maintenance, it is then up to the vagaries of Congress to determine whether or not to the State is granted the appropriations. Mr. Carcieri stated that the standard terms and conditions differ from those of other tenants; however, this is the reality when the tenant is the United States Army Corps of Engineers. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM L– Department of Administration – A request for conceptual approval to sell 12,357 square feet of State-owned land located at 1615 Pontiac Avenue in the City of Cranston to 1615 Pontiac Avenue Condominium Associates. *Item L is deferred to a future meeting of the State Properties Committee.*

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:26 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, FEBRUARY 2, 2010

The meeting of the State Properties Committee was called to order at 10:06 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Genevieve Allaire-Johnson representing the Rhode Island Department of Attorney General; John A. Pagliarini, Jr., Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Terri Bisson and Robert Parquette from the Rhode Island Department of Environmental Management; John Ryan and Michael D. Mitchell from the Rhode Island Department of Administration; and Louis Saccoccio from the University of Rhode Island.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

A motion to defer approval of the meeting minutes from the meeting of December 8, 2009, was made by Mr. Pagliarini and seconded by Ms. Allaire-Johnson.

Passed Unanimously

A motion was made to approve the meeting minutes from the meetings of December 22, 2009, as amended, January 5, 2010 and January 19, 2010, was made by Mr. Pagliarini and seconded by Ms. Allaire-Johnson.

Passed Unanimously

ITEM A – Department of Administration – A request was made for final approval of and signatures on a Warranty Deed by and between P.J.C. Realty Company, Inc. and the State of Rhode Island, acting through the Department of Administration, for the

acquisition of property located at 50 Service Avenue in the City of Warwick. Mr. Ryan presented maps and aerial photographs of the subject property for the Committee's review. Mr. Ryan stated that the Department of Administration previously appeared before the State Properties Committee on November 10, 2009, and obtained approval of and signatures on a Purchase and Sale Contract. A closing on the property is scheduled for Tuesday, February 9, 2010 at 10:00 a.m. Mr. Mitchell stated that the Department of Administration has completed the due diligence process as required by the Purchase and Sale Agreement. A survey of the subject property was performed and a title commitment has been obtained from Commonwealth Title Company. Mr. Mitchell stated that before the Committee today is a Warranty Deed and a Bill of Sale for the acquisition of office furniture which is being sold together with the building. Mr. Mitchell indicated that Mr. Woolley of the Department of Attorney General has reviewed both documents and indicated that they meeting with his approval. Mr. Pagliarini noted several errors contained in the draft Warranty Deed and asked if said errors have been corrected on the final document. Mr. Mitchell assured Mr. Pagliarini that each of the errors has been corrected. Mr. Pagliarini asked whether Mr. Mitchell knew if there will be taxes withheld at the rate of nine (9%) percent per corporation. Mr. Mitchell stated that taxes will be withheld at a rate of nine (9%) relative to this acquisition. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM B – Board of Governors for Higher Education/University of Rhode Island –
A request was made for approval of and signatures on a Lease Agreement by and
between Kovogen, LLC and the Board of Governors for Higher Education/University of

Rhode Island for one hundred twenty-seven (127) square feet of laboratory space located within Ranger Hall in the Town of Kingston. Mr. Saccoccio explained that the University of Rhode Island entered into a research collaboration project via a research subcontract with Kovogen, LLC, which is a Connecticut corporation. Kovogen, LLC received a small business research grant from the National Institute for Health and the University of Rhode Island will take part in said research. Mr. Saccoccio indicated that said research involves synthesis molecular probes used in magnetic resonance imaging. Mr. Saccoccio indicated that the submission memorandum addressed to the State Properties Committee includes a detailed explanation of the scientific concepts relating to said research. Mr. Saccoccio indicated that the aforementioned probes have the potential to serve as a powerful diagnostic agent for the early detection and enhanced treatment of traumatic brain injury, Atherosclerosis, Multiple Sclerosis, Parkinson's Disease and Alzheimer's Disease. As a result of this collaboration and if this technology is successfully developed, the University will own a portion of the intellectual property rights. Therefore, this research could have a tremendous impact on healthcare and bestow a valuable resource to the University of Rhode Island as well as to the State of Rhode Island. Mr. Saccoccio stated that the lease fee is approximately \$2,100 per year for 127± square feet of space, which contains a sink and a bench only. There are no plans to alter or improve the premises and it will be occupied by both Kovogen and University scientist for a period of approximately two (2) years. Chairman Flynn noted that this appears to be a very exciting collaboration and asked if there are other similar arrangements within the University, whereby University professors are involved with private companies to perform research on campus. Mr. Saccoccio indicated that in either

2003 or 2005, the University enacted a section of the Public/Private Partnership Act, for the specific purpose of bringing University researchers and private corporations together in partnership. Mr. Saccoccio indicated that although the subject lease involves a very small amount of space, the University completed the entire ethics process including an appearance before the Ethics Commission to obtain all necessary approvals. Mr. Griffith asked if the University of Rhode Island keeps track of these types of arrangements and reports their results. Mr. Saccoccio explained that the statute requires the institutions to appoint an institutional conflict of interest management committee. Mr. Saccoccio stated that he is in fact a member of said Committee, which employs a monitoring plan that is reviewed on an annual basis. The Committee is then required to submit an annual report to the General Assembly and the Office of the Governor. Mr. Saccoccio noted that since the law was in-acted, he believes there have been four (4) such partnerships approved. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM C – Department of Environmental Management – A request was made for approval to solicit bids via a Request for Proposals to engage the services of a qualified entity to develop, manage and operate land and buildings located at Camp Pastore in the Town of Charlestown. Ms. Bisson explained that the Department was previously before the State Properties Committee to obtain approval to transfer the subject property from the Department of Mental Health, Retardation and Hospitals back to the Department of Environmental Management and more recently in June of 2009, to enter into a Lease Agreement with Perspectives Corporation for the operation of summer day-camp for children with disabilities. At the time, the Department explained that it was examining

the possibility of utilizing the property for a purpose which would broaden and enhance the recreational value of the property as well as provide additional income to the State of Rhode Island through the leasing of the facility. Ms. Bisson stated that the Department is seeking approval to solicit bids from qualified entities via a Request for Proposals process to operate some sort of conference/recreational facility with overnight camping amenities. The Department envisions a facility that is a somewhat primitive version of the Alton Jones Campus. Ms. Bisson explained that the Department would select the successful entity and subsequently enter into an agreement similar to the concession contracts utilized by the Department wherein the lessee provides a portion of the rental fees to the State of Rhode Island with an additional portion being allocated for the maintenance and enhancement of the property. Ms. Bisson explained that three (3) major factors will be considered by the Department in evaluating a proposal: (1) the proposed use and how the entity intends to operate the property and associated facilities; (2) whether the proposal fully meets the criterion and specifications set forth in the Request for Proposals issued by the Department; and (3) the entity's credentials in terms of financial commitments as well as its experience and staffing qualifications. Once the proposals have been evaluated internally, the Department will return to the State Properties Committee to explain the results of said evaluation process and to advise the Committee the successful candidate chosen by the Department. By way of background, Chairman Flynn explained that the Perspectives Corporation, which is a for-profit company, had a longstanding arrangement with MHRH to utilize the property without the benefit of a legal contract, and due to time constraints, there was not sufficient time for the Department of Environmental Management to modify said arrangement prior to the

past summer season. However, the Department now has an opportunity to rectify that situation and enter into a formal lease agreement. Mr. Pagliarini asked if the Department believes this property could potentially create competition for the Alton Jones Campus. Mr. Parquette stated that as the subject property is much smaller than the Alton Jones Campus and although the location is ideal, the property is extremely rustic and the building is in need of a great deal of work; therefore, he does not foresee the potential for competition between it and the Alton Jones Campus. Mr. Parquette noted that the Department is eager to see who comes forward and the type of proposals received once the Request for Proposals is issued. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire-Johnson.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease by and between the Department of Environmental Management and Paul J. Carvalho relating to property located at Lincoln Woods State Park, 1 Twin River Road in the Town of Lincoln. Ms. Bisson explained that the Department has a longstanding policy and good track record of leasing its caretaker’s dwellings to qualified employees of the Department of Environmental Management. Ms. Bisson noted that the majority of the caretaker’s homes are in fair to good condition and located in areas that are well used by the public. The tenants provide surveillance and alert the Department of any illegal activities on the properties. The tenants also respond to emergencies, answer public inquiries and perform a variety of other functions. Ms. Bisson noted the tenants are responsible for caring for the lawn and shrubbery as well as maintaining the property. The Department recently attempted to

standardize some of the policies and procedures making the lease process more efficient relative to these caretakers' properties. For example, the Department requested and received approval to utilize HUD rental rates as opposed to engaging an appraiser to conduct separate appraisals of each property. Ms. Bisson indicated that this has proved to be a cost saving measure and a much more efficient means of obtaining property values. Chairman Flynn recalled the HUD rental rates were very often extremely close to the appraised values established by the commissioned appraisals. Ms. Bisson stated that the Chair's recollection is correct. In fact, the Department learned that HUD considers information that local appraisers rely upon to establish values and builds that information directly into the formulas it uses to establish rental rates. More recently, the Department has attempted to quantify and standardize the methods used to determine allowable deductions for services performed by the caretakers on a twenty-four (24) hour, seven 7 days per week basis. Ms. Bisson stated that the subject property is located on the left hand side of Twin River Road after to the entrance to Lincoln Woods State Park and is adjacent to the horse stables. The annual rental fee for this three (3) bedroom home is \$6,852.00. The tenant is required to secure and maintain an insurance policy in the amount of \$300,000 in accordance with the State of Rhode Island Risk Management requirements. Chairman Flynn asked if the Lease Agreement contains a standard escalator clause. Ms. Bisson explained that for the three (3) year term of the Lease Agreement, the rental fee will remain the same; however, at the expiration of the Lease Agreement, the formula is recalculated to determine the rental rate at that time. The rental fees are automatically deducted from the employee's payroll checks on a bi-weekly basis. Mr. Griffith asked if applicants are restricted to employees of the Department of

Environmental Management. Ms. Bisson explained that the applicants are restricted in accordance with a specific process of elimination, which begins with (1) interested employees that presently work at the facility where the dwelling is located; (2) interested employees that presently work in region of facility; (3) finally, if no employees meeting the above criterion are interested, then employees Department wide are considered eligible. However, the Department does try to limit the applicants to facility personnel as they are most familiar with policies, procedures as well as the properties. Chairman Flynn asked if the Department requires and/or enforces standards of behavior for the tenants while residing on these properties; for example no loud, disorderly parties or more seriously illegal activities or whether this has ever been an issue in the past. Mr. Parquette indicated that to his knowledge this has never been an issue; however, staff members clearly explain and discuss expected conduct with the tenant's prior to entering into the Lease Agreements. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire-Johnson.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease by and between the Department of Environmental Management and Daniel Puccella relating to property located at Fishermen's Memorial State Park, 1011 Point Judith Road in the Town of Narragansett. Ms. Bisson indicated that this is similar to Item D; however, the rental fee is different. The tenant is required to pay an annual rental fee in the amount of \$ 5,976 via bi-weekly deductions from his payroll check. In addition to being responsible for surveillance of the immediate area within Fishermen's Memorial State Park, Mr. Puccella also responds

to alarms at the State beaches in the area. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease by and between the Department of Environmental Management and Thomas Angelone relating to the premises located on the second floor of the Kelly House Museum, 1075 Lower River Road in the Town of Lincoln. Ms. Bisson explained that this property is more of an apartment than a caretaker’s house. The apartment is located on the second floor of the Kelly House Museum. The annual rental fee is \$4,923.60. Ms. Angelone is required to secure and maintain an insurance policy in accordance with the aforementioned requirements. Ms. Bisson noted that other than surveillance of the immediate area, Mr. Angelone has no additional responsibilities relative to this property. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Department of Administration – A request for conceptual approval to sell 12,357 square feet of State-owned land located at 1615 Pontiac Avenue in the City of Cranston to 1615 Pontiac Avenue Condominium Associates. *Item G is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.*

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:27 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JANUARY 19, 2010

The meeting of the State Properties Committee was called to order at 10:03 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Bruce Cadden from the Rhode Island Department of Transportation. Jane Morgan from the Office of Health and Human Services; Paul Grenon from the Department of Mental Health, Retardation and Hospitals; Michelle Sheehan from the Rhode Island Department of Environmental Management; Daniel Evangelista from the Rhode Island Division of Veterans Affairs; Larry Schwartz and David Reiss from the Ocean State Consortium; Frank DiMaio and Ted Polak from the John E. Fogarty Center; Brian Peterson from the Rhode Island Department of Children Youth and Families.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract for the donation of thirty-eight (38) acres of land located along Cider Mill Road in the Town of Burrillville; known as the Lanzetta Property. Ms. Sheehan presented a map of the subject property for review by the Committee. Ms. Sheehan explained that the State Properties Committee granted the Department's request for conceptual approval to accept the donation of the

subject property in November 2009. Ms. Sheehan indicated that the Department is back before the Committee today seeking approval of and signatures on the Purchase and Sale Agreement by and between Scott M. Lanzetta and the Department of Environmental Management. Ms. Sheehan indicated that the property is quite remote and the Department is not anticipating any management or maintenance costs. Further, the Department intends to transfer the property to either The Nature Conservancy or a local conservation group in the near future. Therefore, Ms. Sheehan indicated that there will be essentially no costs associated with this transaction. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Transportation – A request for was made for conceptual approval to dispose of 8,800± square feet of State-owned property located on Beausoleil Street in the Town of Cumberland. Mr. Cadden indicated that the subject property is actually bisected by the Cumberland/Woonsocket line. The property is an uneconomic remnant located directly adjacent to the applicant’s parcel, which is currently landlocked. The applicant wishes to utilize the subject property as access to that abutting parcel of land. Chairman Flynn indicated that he assumes the subject property is not a buildable lot. Mr. Cadden presented a map for the Committee’s review and utilizing said map explained the reason the subject property is not a buildable lot. Mr. Pagliarini asked whether it is known whether the applicant intends to build a single family dwelling or a condominium. Mr. Cadden indicated that the applicant intends to build single family home. Mr. Pagliarini indicated that the Committee was provided with a copy of an inter-office memorandum from the time when the subject property went before the Land Sales

Committee and it is somewhat conflicting. The summary states that the applicant wishes to purchase property; however, the Land Sales Committee's meeting agenda listed the item as an easement request. Mr. Cadden stated that the item should have been included on the agenda as a request to purchase the property, not as an easement request.

Assuming the Committee grants the Department's request for conceptual approval to dispose of the property; Chairman Flynn asked that the Committee be provided with some sort of written verification that the subject property is not a buildable lot as a stand alone parcel. Mr. Pagliarini asked if the appraisal of the property would be an in-house appraisal. Mr. Cadden stated that he anticipates that the appraisal will be an in-house appraisal. Mr. Pagliarini recommended that whoever conducts the appraisal should verify with the Cumberland Town Hall/Woonsocket City Hall to ensure that the subject property is not a buildable lot. A motion to approve was made by Mr. Kay and seconded by Mr. Pagliarini subject to the Department providing the Committee with documentation evidencing that the subject property is not a buildable lot.

Passed Unanimously

ITEM C – Department of Mental Health, Retardation and Hospitals – A request was made for conceptual approval for the transfer of State-owned property located at 492 South Main Street in the City of Woonsocket. Ms. Morgan explained that the subject property is similar to the Gaskill Street property that was before the Committee on December 22, 2009, in that it has been owned by the State of Rhode, has been vacant for a very long time and is currently in a terrible state of disrepair. Ms. Morgan noted that it would cost more to repair and restore the property in order to bring it up to code than it would be worth to the State of Rhode Island. Ms. Morgan stated that at this point, three

(3) providers have joined forces and formed a consortium that will be working with the Veterans Administration and the soon-to-be Department of Veterans Human Services to develop a permanent housing placement for veterans returning from service that have no where to live. Ms. Morgan indicated that Frank DiMaio is present to address any concerns or answer any questions the Committee may have regarding the details of the project as well as Dan Evangelista from the Division of Veterans Affairs. Ms. Morgan indicated that Mr. Grenon from MHRH is also present to address questions regarding the building. Chairman Flynn stated that if his memory serves him correctly, both the Gaskill property and the South Main Street property were put out to public bid; however, no responses whatsoever were received. Mr. Grenon indicated that in 2008, the properties were offered at a public bid and there were no responses received. Ms. Morgan stated that another issue with the property is that it is an historic building, which places limits, restrictions and higher standards relative to any restoration efforts. Mr. Kay asked that someone elaborate on the veterans' component of the request. Mr. Evangelista explained that from a veterans' benefit prospective each and every individual will more than likely be enrolled in the Veterans Administration Healthcare System and will receive assistance in applying for any and all benefits to which they may be eligible including rental assistance. Mr. DiMaio explained that the consortium itself has hired a consultant that has been in discussions with Rhode Island Housing for funding of the project. The consultant is also preparing a funding plan for the necessary renovations to the subject property. The consortium has engaged the services of a contractor to put together some numbers in that regard. The consortium has further interviewed architects and will select the successful candidate by the end of this week. Mr. DiMaio stated the

consortium intends to obtain all the funding for this project through Rhode Island Housing. Mr. Pagliarini asked who the consortium's target veteran is; is it disabled veterans, veterans with families or single veterans? Mr. DiMaio stated that the program is aimed at single veterans. Mr. Pagliarini asked how many veterans will be placed within this facility. Mr. DiMaio indicated that the program hopes to place nine (9) or ten (10) veterans at the South Street facility. Mr. Pagliarini asked if the facility is a group home setting where there are areas in common such as one kitchen facility. Mr. DiMaio indicated that was correct and in fact the facility was a former group home. Mr. Pagliarini noted that this project is very similar to some of the housing provided by Operation Stand Down to homeless veterans, which has been very successful. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM D – Department of Children Youth and Families – A request to submit updated information to the State Properties Committee relative to the month-to-month status of the leases for the following regional offices currently leased by the Department.

1. 530 Wood Street in the Town of Bristol; *and*
2. 650 Ten Rod Road in the Town of North Kingstown; *and*
3. 249 Roosevelt Avenue in the City of Pawtucket; *and*
4. 191 Social Street in the City of Woonsocket.

Chairman Flynn reminded the Committee that these Lease Agreements were previously before the Committee when the intent was exercise the Department's option to lease the above-referenced facilities for a term of five (5) year and in one instance for a

term of ten (10) years; however, the Department requested approval to lease the properties on a month-to-month basis until such time as the General Assembly could consider and vote on the Resolution. Chairman Flynn stated that at this time, the Department still needs to lease the properties on a month-to-month basis; however, the purpose for this arrangement has changed. Mr. Peterson indicated that as stated by the Chairman, the Department was previously before the Committee in June of 2009, seeking permission to enter into negotiations relative to the Department's option to extend the Lease Agreements. The Resolution was actually considered and approved by the Senate and in October it would return to the House of Representatives; however, at that time the State of Rhode Island began examining all the properties being leased by the State and went about finding ways to consolidate offices in order to lease less property. Mr. Peterson indicated that the Department is in the middle of the consolidating process now. Mr. Peterson indicated that none of the landlords have been notified of the Department's intent to terminate some or perhaps even all of the Lease Agreements. Mr. Peterson stated that 101 Friendship Street and the Steadman Center are being examined for the possible consolidation of these facilities. Mr. Peterson indicated that the Department of Administration is doing an exemplary job of finding ways to reconfigure said consolidation. Mr. Peterson explained that initially the request for month-to-month leases were being hurried along, but ultimately the Department requested that the House of Representatives refrain from voting on the Resolution in view of the consolidation effort; however, at this time the bills still need to be paid and the Department needs to continue the Lease Agreements on a month-to-month basis. Mr. Peterson noted that at the request of the Chairman, he is before the Committee to provide updated information

regarding the Department's intent to continue to lease the subject properties until such time as a consolidation plan is executed. Mr. Peterson stated that the Department should know within the next week or two which of the Lease Agreements will be terminated. Mr. Peterson indicated that the long-term plan is to relocate the entire DCYF operation to the Pastore Center. Chairman Flynn recommended that at some point the Department of Children, Youth and Families provide a schedule to Director Sasse and the Division of Purchases in order to give them with a sense regarding the timeframes of the Lease Agreements. Mr. Peterson reiterated that none of the landlords have been notified about the potential termination of the Lease Agreements; however, he anticipates that will happen sometime within the next week or two. *At this time, no action by the State Properties Committee is necessary relative to this item.*

Under discussion, Mr. Peterson noted that there is an additional issue that he wished to discuss with the Committee regarding parking needs during the Child Service and Family Review. Mr. Peterson explained that the Child Service and Family Review is conducted every couple of years and a team of approximately forty (40) individuals consisting of federal employees, employees from other states as well as the Department's own staff go out into the various communities to conduct the reviews and return to the Department between 10:00 p.m. and 11:00 p.m. as it is a very intensive process. When these individuals are working at 101 Friendship Street during the evening hours, the Department needs to secure places for them to park and said places need to be secure. Mr. Peterson noted that unfortunately the neighborhood where the facility is located has recently appeared in the news regarding several serious crimes committed in the area. Mr. Peterson stated that for the week of the reviews, he would like to remove the State

vehicles from the secured parking lot located at the Friendship Street facility and allow the people conducting the reviews to utilize the said parking lot. Mr. Peterson indicated that he would then like to rent parking spaces within a parking garage where the State vehicles can be kept during the night, as he feels a fleet of white, State-owned vehicles left unsecured would prove to be an attractive target for vandalism. Mr. Peterson indicated that he is obtaining quotes from area garages at this time and will return to the Committee in the near future with a formal request and additional information.

Chairman Flynn suggested that Mr. Peterson bring this issue to the attention of Marco Schiappa and Ron Renaud of the Department of Administration.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:27 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JANUARY 5, 2010

The meeting of the State Properties Committee was called to order at 10:02 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members; and Xaykham Khamsyvoravong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Daniel Clarke and John Glynn of the Rhode Island Department of Transportation.

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

ITEM A – Department of Transportation – A request was made for approval of and signatures on a Grant of Easement Agreement by and between the Department of Transportation and the United States Army Corps of Engineers for an easement over two parcels of land located along the east and west sides of the Fox Point Hurricane Barrier. Mr. Glynn presented site map of the subject property for review by the Committee. Mr. Glynn explained that the United States Corps of Engineers has recently obtained ownership and responsibility for the Fox Point Hurricane Barrier in the City of Providence. In connection with said ownership, the Corps of Engineers requested the Department of Transportation grant an easement over two (2) small parcels of land located on either side of the barrier, which will provide access for repairs and maintenance. Chairman Flynn asked if the City of Providence previously had an

easement over the subject property and whether said easement will simply be transferred to the new owner of the Barrier. Mr. Glynn stated that is correct. Mr. Pagliarini asked if the City of Providence has relinquished its rights to the easement. Mr. Glynn stated that he believed the City of Providence has in fact relinquished its rights to the easement. Mr. Griffith asked if the subject easement has any affect on the so-called Shooter's property. Mr. Glynn indicated that this easement has no affect on the Shooter's property. Mr. Woolley noted that the dates on pages one (1) and four (4) of the Agreement reference the year as 2009, and asked that those pages be revised to reflect the current year. A motion was made to approve subject to the City of Providence relinquishing any and all rights to its easement and subject to the United States Corps of Engineers being solely responsible for restoring the subject parcels of land to their previous condition, in the event of any damage including but not limited to landscaping damage caused by the United States Corps of Engineers by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Transportation – A request for was made conceptual approval to dispose of 1,963 square feet of State-owned property located on Alfred Drowne Road in the Town of Barrington. The Department is seeking approval to sell the subject property to Claudia and Graham Kilvert of Alfred Drowne Road in the Town of Barrington. The Department has researched the parcel of land through its preliminary review process and it has been cleared for disposition. Mr. Clarke explained that the disposition of this property will cure an encroachment on the State-owned land. Said encroachment was brought to the attention of the Department of Transportation by Mr. and Mrs. Kilvert. Mr. Clarke indicated that during the process of establishing their

property's boundary lines, the Kilverts discovered that the driveway and certain portions of the home's parking area are encroaching on State-owned land. . Once the Kilverts made this discovery, they immediately contacted the Department of Transportation with a request to purchase the land. Chairman Flynn asked if the purchase of the subject property will in any way impact the bicycle path. Mr. Clarke indicated that the purchase of the property by the Kilverts will not impact the existing bicycle path whatsoever. Mr. Clarke informed the Committee that the Request to Convey State-owned Property form should be corrected to reflect that the subject property is in fact located within a flood plain as well as being located within one (1) mile of a body of water. Mr. Clark indicated that the property is actually within 2,750 feet from the nearest body of water. Mr. Woolley asked whether the Department will be seeking any retroactive payments of compensation for the unauthorized use of State-owned property. Mr. Clarke explained that because of the circumstances involved in this particular encroachment and the fact that the Kilverts did not originally construct the driveway, the Department will not be seeking retroactive payments of compensation. Mr. Pagliarini asked if the appraisal of the property will be an internal or external appraisal. Mr. Clarke indicated that due to the small size of the property, the Department will most likely conduct an in-house appraisal. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for conceptual approval to dispose of 8,800± square feet of State-owned property located on Beausoleil Street in the Town of Cumberland. A motion was made to table Item C to the next

scheduled meeting of the State Properties Committee by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:13 a.m. A motion was made to adjourn by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

Holly H. Rhodes, Executive Secretary