

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JANUARY 4, 2011

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; Michael Sligar 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; Bruce Cadden from the Rhode Island Department of Transportation; Terri Bisson and Robert Paquette from the Rhode Island Department of Environmental Management.

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

A motion to approve the minutes from the State Properties Committee meeting held on Tuesday, December 21, 2010, was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM A – 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 the Northern Rhode Island Conservation District for property located at 2283 Hartford Avenue in the Town of Johnston to be used as administrative office space. Ms. Bisson stated that this property may be somewhat familiar to the Committee, because on November 14, 2008, the Department appeared before the State Properties Committee seeking approval to surplus said property. Ms.

Bisson explained that approval was granted, an appraisal was conducted and the property went out to bid. Unfortunately, the Department received no responses to the request for proposals. However, recently, the Northern Rhode Island Conservation District approached the Department and expressed an interest in leasing said property. Ms. Bisson explained that the Northern Rhode Island Conservation District is presently trying to sell offices located in Greenville and became aware that the 2283 Hartford Avenue property is currently available. Northern Rhode Island Conservation District informed the Department that it is willing to make a substantial investment to renovate the subject property. Ms. Bisson stated that the Department feels that Northern Rhode Island Conservation District's proposal would be a very beneficial venture for its Division of Parks and Recreation as the subject property is quickly deteriorating and the Division is without the necessary funds or staff to manage the property adequately at this time. The Northern Rhode Island Conservation District's proposal states that it is willing to make an initial investment of approximately \$25,000 to bring the building into compliance with the requirements of the current building code as well as with basic ADA requirements. Additionally, Northern Rhode Island Conservation District will assume responsibility for the maintenance and upkeep of the property throughout the term of the lease. The Indenture of Lease is for an initial term of seven (7) years at an annual cost of \$1.00 and includes one renewal option. If Northern Rhode Island Conservation District chooses to exercise the renewal option, a new rental fee will be negotiated and prior to any renewal the matter will be brought back before the State Properties Committee for approval. Ms. Bisson noted that Northern Rhode Island Conservation District is required to secure, and keep current, commercial liability insurance coverage in accordance with the

requirements of the State of Rhode Island. Ms. Bisson noted that she consulted with Kevin Carvalho of Risk Management who set the terms and conditions of the policy to ensure that adequate insurance coverage is secured and maintained as this particular Indenture of Lease is different from any the Department has entered into in the past. Ms. Bisson explained that the Northern Rhode Island Conservation District is a quasi-public organization that has been in existence for a substantial length of time and has worked very closely with the Department's Division of Agriculture on many projects concerning land conservation initiatives and soil conservation in the northern region of the State. Thus, for the reasons stated above, the Department believes this is a win/win venture for both parties and respectfully requests the Committee approve the Indenture of Lease.

Chairman Flynn asked if there have been any instances of vandalism involving the dwelling located on the property. Mr. Paquette explained that the necessary renovations being performed are not the result of vandalism to the dwelling. Mr. Paquette explained that during an unseasonably cold weekend, the thermostat in the dwelling failed, causing the pipes to freeze and burst, resulting in a considerable amount of water damage to the dwelling. Later, the house was found to contain an unsafe measure of mold, making it inhabitable; therefore, the Department, even if inclined, would not be able put the property out to bid for sale until these issues were addressed and resolved at significant expense to the State. Mr. Woolley asked if the State will end up owning the building along with all improvements including items such as a replacement furnace and other items, which may be removable and transferable. Mr. Paquette indicated that the State will continue to own the building and all improvements at the expiration of the Renewal Option if the tenant chooses to exercise the same. As Chairman Flynn assumes the

subject property is zoned for residential use and asked if leasing the property to this tenant raises any zoning issues. Additionally, Chairman Flynn inquired whether leasing the property meant it would now be subject to the Town's zoning laws. Ms. Bisson stated that she investigated zoning issues and although the property is zoned "Residential" there is an allowed public use for the property as well. Ms. Bisson submitted documentation which illustrated that the subject property is zoned R-40 in this district and said designations allows for any public use including municipal and governmental buildings. Therefore, because the Northern Rhode Island Conservation District is a quasi public organization, Ms. Bisson believes that their leasing of the subject property does not violate any existing local zoning laws for this district. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM B – Department of Transportation – A request was made for approval of and signatures on a Renewal License Agreement with Karns Law Group for use of 2,175± square feet of land located at 6 Valley Road in the Town of Middletown for beautification purposes. Mr. Cadden stated that Karns Law Group has landscaped the subject property with shrubs, flowers and lights. Chairman Flynn asked if there is any reason why the Department does not sell the property. Mr. Cadden indicated that due to the property's location and the possibility of an extension of East Main Road in the future, the subject property cannot be sold. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for approval of and signatures on a Renewal License Agreement with 647 Oaklawn Avenue, LLC for use of 1,800± square feet of land located at 1410 Park Avenue in the City of Cranston for vehicle parking. Mr. Cadden stated that the subject property is utilized for parking by the Vesuvio Restaurant also located on Park Avenue. Mr. Cadden stated that the property is located adjacent to the Bike Path in the City of Cranston. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley

Passed Unanimously

ITEM D – Department of Transportation – A request was made for approval of and signatures on a Renewal Sign License Agreement with Buffalo – Lincoln Associates, LLC (Courtyard Marriot) for use of 200 square feet of land located at 636 George Washington Highway in the Town of Lincoln. Mr. Cadden noted that the subject License Agreement allows the Courtyard Marriot to maintain an existing business sign. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of and signatures on a Renewal License Agreement with CMR, Realty, LLC for use of 1,775± square feet of land located at 36 Oxford Street in the City of Providence to be utilized for two (2) storage containers and vehicle parking. Mr. Cadden stated that this particular parcel of land is located adjacent to Route 95 and will not be needed at any point in the future. Mr. Cadden indicated that applicant utilizes the property for vehicle parking and also has two small storage containers located on said property. 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, a motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley. The meeting adjourned at 10:17 a.m.

Holly H. Rhodes, Executive Secretary
State Properties Committee