

STATE PROPERTIES COMMITTEE

Tuesday, February 28, 2006

The meeting of the State Properties Committee was called to order at 10:44 a.m. by the Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith, representing the Department of Administration and Richard Woolley, Esquire, representing the Department of Attorney General. Also in attendance were Robert C. Bromely from Senate Fiscal Office, Nick Long and Orestes P. Monterey from Rhode Island College, Paul M. Petit of the Supreme Court, Edward Rowse of Edward Rowse Architects, Paul Carcieri and John J. Iglizzi, Esquire, from the Rhode Island Department of Transportation, Lisa Primiano and John Faltus from Rhode Island Department of Environmental Management and Maureen McMahon from the Department of Transportation.

1. Old Business – A motion was made to approve the February 14, 2006 minutes by Robert Griffith and seconded by Richard Woolley, Esquire.

Passed Unanimously

ITEM A – Supreme Court - A request was made for National Grid to relocate an electrical pole 42-84 New London Avenue to the site of the new Traffic Tribunal to be located at John O. Pastore Center. A motion was made to approve by Mr. Richard Woolley and seconded by Mr. Robert Griffith.

Passed Unanimously

ITEM B – Rhode Island College – A request was made for approval of and signatures on a license (lease) agreement to authorize Nextel to locate an antenna on Browne Residence Hall's roof for an initial period of ten (10) years with five (5) year

renewal options at approximately Two Thousand Four Hundred and 00/100 (\$2,400.00) Dollars per month with a three (3%) percent annual increment of rent. The Board of Governors has approved and signed the license agreement. Mr. Griffith asked if there are provisions for additional transmitters. Rhode Island College responded that there are provisions for additional transmitters. Rhode Island College also created a new procedure to lock vendors in for a period of five (5) years to ensure adequate revenue to the school. Chairman Jerome F. Williams raised the issue of the State of Rhode Island's concerns regarding the consistency of the license agreements and indicated that the license agreement should be reviewed by the Chief Information Officer with an eye toward adopting it, or adopting it with modifications as the model, which should be used in the future. A motion was made to approve by Mr. Robert Griffith and seconded by Mr. Richard Woolley subject to review by the Chief Information Officer.

Passed Unanimously

ITEM C – Rhode Island Board of Governors for Higher Education – This item was deferred to the March 14, 2006 State Properties Committee meeting at the request of the Rhode Island Board of Governors for Higher Education.

ITEM D – Department of Administration – A request for approval to obtain storage space for the Board of Elections was deferred to the March 14, 2006 State Properties Committee meeting.

ITEM E – Department of Transportation – A request was made for review and execution of an Operating Agreement between the Rhode Island Department of Transportation and Dinner Train of New England LLC, (d/b/a Newport Dinner Trains), Newport Secondary Railroad, Newport. This empowers the Newport Dinner Train to

operate on approximately thirteen (13) miles of Department of Transportation controlled track between Newport and Portsmouth. The Agreement is potentially a twenty (20) year agreement and features a ten (10) year initial term followed by two (2) five (5) year options. Rent to the Department of Transportation for the first ten (10) years will be payable monthly and will be based on an escalating scale of 2.5% to 7.0% of the gross revenue realized by the Dinner Train. Under this Operating Agreement, Dinner Train LLC does not only pay rent, but will be responsible for maintaining the track and ensuring conformance with Federal Railroad Administration (FRA) Class 1 Standards, which would be a considerable burden lifted from the State of Rhode Island. The Dinner Train's initial gross revenue was Two Hundred Ninety-Seven Thousand and 00/100 (\$297,000.00) Dollars and most recently, the gross revenue was in excess of Six Hundred Fifty Thousand and 00/100 (\$650,000.00) Dollars. Mr. Griffith asked that since the Dinner Train has already been operating, what kind of agreement this Agreement replaces. John J. Igliazzi, Esquire, attorney for the Department of Transportation, stated that there presently exists a twenty (20) year agreement, which has not yet expired, however, the agreement presently before the State Properties Committee clarifies both maintenance and the obligations of Dinner Train of New England LLC. Chairman Jerome F. Williams asked whether Dinner Train LLC operates year-round. Attorney Igliazzi stated that operation ends immediately after Christmas and reopens toward the end of March. Chairman Jerome F. Williams reiterated the language of the Operating Agreement wherein the State of Rhode Island is not taking on any liability relative to the operation of Dinner Train LLC. Attorney Igliazzi noted that the State of Rhode Island is indemnified and insured as co-insured and therefore, Dinner Train LLC is the primary

and would be liable for any claims or actions, which occur. Chairman Jerome F. Williams asked in the event Dinner Train LLC generates other forms of revenue, whether this Agreement is all encompassing. Attorney Iglizzi stated that in the event Dinner Train LLC becomes involved in other types of businesses, they would have to come back to the State of Rhode Island to create a new operating agreement. Additionally, this Operating Agreement contains provisions wherein the State of Rhode Island has the right to review and terminate as well as other protections for the State of Rhode Island without inhibiting Dinner Train LLC's ability to grow, because as they prosper, the State prospers. A motion was made to approve by Mr. Richard Woolley and seconded by Mr. Robert Griffith.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement with Mr. Caswell Cooke and the Misquamicut Business Association for a music concert to be held for the second year at Misquamicut State Beach in Westerly on July 29, 2006, with rain dates of July 30, 2006, and July 31, 2006. Chairman Jerome F. Williams asked if there was any damage deposit required for this event last year. Mr. Faltus stated that there are provisions in the License Agreement for the Licensee to restore any damage and clean up the property. Mr. Faltus further indicated that there were no problems with the Misquamicut Business Association fulfilling the terms of the License Agreement. A motion was made to approve by Mr. Richard Woolley and seconded by Mr. Robert Griffith.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for

approval and signatures of a Purchase and Sales Contract for the acquisition of .5 acre parcel of land in Coventry owned by Catherine M. St.Germain. The property consists of land and a building, which the Department intends to utilize as a Maintenance Facility and Visitor's Center to service the Trestle Trail bikeway, public restrooms and a small Visitor's Center. The purchase would also include an easement over approximately 1,500 square feet of land that will belong to the neighboring property for access into the basement floor of the building. The purchase price is Three Hundred Ninety-Five Thousand and 00/100 (\$395,000.00) Dollars. Three Hundred Ninety Thousand (\$390,000.00) Dollars of that amount reflects the market value of the .5 acre parcel and the Five Thousand and 00/100 (\$5,000.00) Dollars reflects the value of the permanent easement into the property. Chairman Jerome F. Williams asked how the value of the property was decided. Ms. Lisa Primiano indicated the value was determined by an external appraisal. A motion was made to approve by Mr. Richard Woolley and seconded by Mr. Robert Griffith.

Passed Unanimously

ITEM H – Department of Environmental Management – A request for approval of and signatures on a Purchase and Sales Contract for the acquisition of twenty-seven (27) acres of land in Glocester owned by Susan Bissell. The purchase price of Two Hundred Seventy-Six Thousand Five Hundred and 00/100 (\$276,500.00) Dollars is the fair market value determined by an outside appraisal. The property consists of two (2) building lots at the entrance of the State's Killingly Management Area and used by the public for parking. Both properties are situated within the A-4, which is the Agricultural/Residential Zone, which requires single family house lots to be four (4) acres in size.

Chairman Jerome F. Williams indicates that the property owner is selling the property as if it were residential however, they have been taxed on it as if it were open-space. Ms. Primiano responded that the buyer, if they were to build on the land, would have to pay the newly established taxes. A motion was made to approve by Mr. Robert Griffith and seconded by Mr. Richard Woolley.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sales Contract for the acquisition of a Conservation Easement over fifteen (15) acres of land in the Town of Westerly on Weekapaug Pond, owned by the Weekapaug Foundation for Conservation. The property was sold for a little less than fair market value to the Weekapaug Foundation and the Department of Environmental Management wants to purchase an easement over that property that will be open to the public. Most of the property is marshland and is located within a Department of Environmental Management Natural Heritage Rare Habitat Area, an important area for habitat protection. It will provide some public access and recreation benefits as well. Mr. Richard Woolley inquired as to the value of the property. Ms. Lisa Primiano stated that the appraised value is Four Hundred Thousand and 00/100 (\$400,000.00) Dollars, but that the Weekapaug Foundation negotiated an acquisition cost of Three Hundred Forty Thousand and 00/100 (\$340,000.00) Dollars and the Department of Environmental Management is paying Three Hundred Five Thousand Five Hundred and 00/100 (\$305,500.00) Dollars. A motion was made to approve by Mr. Robert Griffith and seconded by Mr. Richard Woolley.

Passed Unanimously

The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-4(a)(5) for the specific purpose of discussion of 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 was made to enter into Executive Session by Mr. Robert Griffith and seconded by Mr. Richard Woolley.

Passed Unanimously

ITEM E1 – Department of Transportation – A request for Condemnation Plat 2558B/Parcel 3A, 3B. After discussion in Executive Session, a motion to approve was made by Mr. Richard Woolley and seconded by Mr. Robert Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:36 a.m. Mr. Robert Griffith made a motion to adjourn, which was seconded by Mr. Richard Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary