

STATE PROPERTIES COMMITTEE

Tuesday, May 9, 2006

The meeting of the State Properties Committee was called to order at 10:06 a.m. by Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration, Genevieve Allaire Johnson, Esquire, representing the Department of Attorney General and Mr. Robert Kay, Public Member. Also in attendance were Robert C. Bromley from Senate Fiscal Office; Marlene McCarthy Tuohy, Mary Hamilton, Noreen Shawcross and William H. Ferguson from the Rhode Island Department of Administration; Louis Saccoccio and J. Vernon Wyman from the University of Rhode Island; Paul Grenon and John Morgan from Department of Mental Health, Retardation and Hospitals; Richard Kalunian, Robert Jackson, Tim Harris, Janice Ward, William Chuck Alves, Paul Carcieri, Stephen Devine, Eva Bernardo and Michael D. Mitchell from the Rhode Island Department of Transportation; Mary E. Kay and John Faltus from the Department of Environmental Management; Susan Leach DeBlasio from Rhode Island Airport Corporation, Moe Clare from Providence Polo and Nicholas Gorham from the House of Representatives and Rochambeau Commission.

1. New Business - Miscellaneous – The next meeting of the State Properties Committee is scheduled to be held on Tuesday, May 23, 2006.
2. Old Business - A request was made for signatures on a Purchase and Sale Agreement to purchase the Theta Delta Chi Fraternity building located at 22 East Alumni Avenue on the Kingston Campus, which was previously approved by the State Properties Committee at the meeting held on April 25, 2006. Mr. Wyman explained that the Theta

Delta Chi Fraternity building is located in the center of the Engineering and Mathematics' portion of the campus. The Theta Delta Chi Fraternity has been removed from the campus and this transaction will close out the financial obligations while simultaneously meeting the requirements of the Board of Governors' original agreement which permitted the house to be present on the property. The building will be demolished to make way for the expansion of Tyler Hall which is the Mathematics' building. Mr. Kay asked if there is fire legal liability insurance in place. Mr. Wyman indicated there is fire legal liability insurance. The Purchase and Sale Agreement was circulated and executed by each of the Committee Members.

A motion was made to approve the minutes from the State Properties Committee Meeting of April 25, 2006, by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM A – University of Rhode Island - A request for approval to proceed with the execution of a Purchase and Sale Agreement between the Chi Phi Holding Corporation of Rhode Island, Inc. and the University of Rhode Island to purchase the Chi Phi Fraternity building located at 61 Upper College Road, Kingston, Rhode Island. Mr. Saccoccio explained that this matter was before the State Properties Committee in 2005, as an extended long-term lease agreement with an option to purchase in which the Chi Phi Fraternity was going to perform substantial improvements in order for the University of Rhode Island to lease the building from the fraternity as an expansion of the very successful International Engineering Program. The State Properties Committee approved the extended long-term lease agreement. The matter then proceeded to the Kushner approval process through the Governor Carcieri's office and then to legislature. The

recommendation of the legislature was to approve the substance of the transaction, but rather than enter into a lease agreement, enter into a purchase and sale agreement. Mr. Saccoccio indicated that the terms and conditions of the Purchase and Sale Agreement before the Committee are essentially the same as those contained in the lease agreement previously approved by the Committee. The Fraternity, as the owner of the building, will assume all responsibility for performing the improvements. The University of Rhode Island will pay for the improvements as part of the Purchase and Sale Agreement. Mr. Saccoccio explained that as long as the University is paying for the improvements, it has the ability to obtain title to the property at its election regardless of the default status of either party. All insurance proceeds have been assigned in the event of loss by fire or casualty. The University of Rhode Island also has step-in rights in the event it needs to complete the construction. Mr. Saccoccio indicated that all necessary signatures had been obtained on the Purchase and Sale Agreement with the exception of the Board of Governors' Chairman. However, the Board of Governors has approved this transaction. Mr. Saccoccio asked that the State Properties Committee approve the Purchase and Sale Agreement subject to obtaining the signature of the Board's Chairman. Chairman Williams asked what the payment stream is, as this is no longer a lease and the final price is \$1,700,000.00. Mr. Saccoccio stated that the payment stream will go along as a construction mortgage. The University of Rhode Island will require invoices from the fraternity for work completed. The University will pay for work completed per invoice. Chairman Williams ask if the University of Rhode Island will conduct inspections of the work completed. Mr. Saccoccio indicated inspections would be conducted by the University of Rhode Island's architect. Mr. Wyman commented that there are two

advantages to entering into a Purchase and Sale Agreement rather than a lease. The first is a direct loan from RIBEC, which will fund \$800,000.00 toward the renovation component. As the RIBEC financing is tax exempt, it will result in approximately \$110,000.00 dollars in savings to the students who will reside in the building, as it is the students' room and board fees, which will ultimately pay back the loan. The other advantage is that the Purchase and Sale Agreement results in a transfer of title upon completion of the renovations. Pursuant to the prior lease agreement, it would be ten (10) years before the transfer of titled would occur. Mr. Wyman indicated that all plans and specifications, which are the guide for the construction and renovation work, were reviewed and approved by the State Fire Marshall as well as the Rhode Island Building Code Commission. Chairman Williams asked whether the Fraternity would use a portion of the proceeds from the Purchase and Sale Agreement to create another facility. Mr. Saccoccio indicated that the initial payment for the current value of the building as appraised is essentially the Fraternity's down payment for the construction of a new fraternity house sometime later this year. The Fraternity will secure a loan of its own at that time. A motion was made to approve by Mr. Griffith subject to the execution of the Purchase and Sale Agreement by the Board of Governors' Chairman and seconded by Mr. Kay. Ms Allaire Johnson opposed the motion and stated that she was signing off on a legal basis in terms of a policy issue. The motion passed over the dissenting vote of Ms. Allaire Johnson.

Passed Three to One

ITEM B – Department of Administration – A request was made for approval of and signatures on the Station Park License Agreement between the Department of

Administration and Amtrak. Mr. Mitchell presented a map which illustrated Station Park and the surrounding area. Mr. Mitchell explained that the front parcel of land is owned by the State of Rhode Island and the parcel of land located at the back of the park is owned by the Department of Environmental Management. Mr. Mitchell indicated that the middle portion of the parcel of land consists of a man-made deck over the railroad. The middle portion is owned by Amtrak which granted an easement to the City of Providence to construct the deck and also granted a surface easement to Capitol Properties for the deck which exists on the back portion of the parcel of land. Amtrak has offered the State of Rhode Island a six (6) month easement for the current year to use its property for licensing to these other entities for different functions with the idea that the State of Rhode Island would enter into a long-term arrangement in the coming months, which would allow the State of Rhode Island to use and license the parcel. The License Agreement before the Committee will require the State of Rhode Island to enter into license agreements which would provide indemnity to Amtrak in the event any property damage or personal injury occurs as a result of the use of this parcel of land. Amtrak limits the use of this property for non-profit use only and also limits the nature of its use. Amtrak will not allow automobiles, trucks, animals or any permanent structures to be placed on this area. The License Agreement also contains a provision whereby Amtrak has the option to conduct environmental testing on the property at the end of the lease period to determine whether any environmental damage has occurred. The State of Rhode Island has asked Amtrak to remove the provision from the License Agreement, or to provide the State with some assurance that it will not exercise this option. At the present time, Mr. Mitchell indicated the State of Rhode Island has not received a response

from Amtrak relative to this issue. As a result of the easements granted to the City of Providence and to Capitol Properties, the License Agreement will be subject to their consent and approval as well. Although Capitol Properties was granted a surface easement to build the deck, they do not have an easement to utilize the deck. Therefore, the State of Rhode Island's license to use the parcel should not interfere with Capitol Properties' ability to maintain the deck area in anyway. Chairman Williams indicated that the State of Rhode Island's initial reaction was that it would not be able to license any portion of the property which it did not own. There is significant interest among the City of Providence, non profit entities and the State of Rhode Island to work out an arrangement whereby the State of Rhode Island can license the property for the summer months and later work out a long-term arrangement. Chairman Williams indicated that Amtrak has been extremely accommodating in negotiating the License Agreement. Chairman Williams stated that Amtrak has verbally expressed that because of the short term of the License Agreement, it will not request an environmental risk assessment. Chairman Williams stated that he has also requested Amtrak provide the State of Rhode Island with a letter indicating it would not exercise this option. Chairman Williams has not yet received a response from Amtrak regarding such a letter. Chairman Williams is concerned that without environmental testing being conducted prior to the term of the License Agreement, the State of Rhode Island has no way of knowing whether there are environmental issues associated with the parcel at this time. Chairman Williams indicated that although the State Properties Committee granted conceptual approval to Providence Polo, it is not moving forward on its request and therefore, the granting of conceptual approval is not of great concern to the State Properties Committee at this time.

Chairman Williams stated that the State of Rhode Island's sublicense agreements will be modified to meet the conditions, which Amtrak has placed of the State of Rhode Island. It is unknown how this will effect the non-profit entities, but the further restriction placed on the State of Rhode Island relative to insurance requirements will be passed on to the non-profit entities. Ms. Allaire Johnson commented that obtaining a letter from Amtrak, which states that it will not exercise its option to request an environmental risk assessment at the end of the Lease Agreement may provide some comfort; however, it may not be legally binding once the State of Rhode Island executes the License Agreement. Chairman Williams agreed that the letter is not an infallible solution; however, based upon his conversations with the senior officials at Amtrak, Chairman Williams believes that it is Amtrak's intention to sell the property or at least enter into some sought of long-term arrangement and therefore, will not exercise the environmental risk assessment option. Chairman Williams indicated that time is of the essence relative to the finalization of the License Agreement as there are groups waiting to market their events and we are unable to allow them to do so at this time. Ms. Allaire Johnson asked why the State of Rhode Island cannot sublicense the area which it owns. Chairman Williams indicated that the area is not large enough and further there is no way of limiting access to the property owned by Amtrak without erecting a fence. Chairman Williams suggested that a motion be made to approve the License Agreement subject to the State of Rhode Island either obtaining a comfort letter from Amtrak, or subject to the provision regarding the environmental risk assessment option being removed from the License Agreement and subject to the consent of the City of Providence and Capitol Properties. In the event the State of Rhode Island is unable to obtain the same, the State

Properties Committee will reconsider the motion at a special meeting on Friday, May 12, 2006. A motion was made subject to the above terms and conditions by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM C – Department of Administration - A request was made for approval of and signatures on the Parking Agreement between the Department of Administration and Boston Investment Property concerning thirteen (13) parking spaces located at One State Street, Providence, Rhode Island. Mr. Ferguson explained that he appeared before the Committee at the meeting held on April 25, 2006, to obtain conceptual approval to proceed with the Parking Agreement between the Department of Administration and One State Street, D.L. Saunders Companies, which would allow the Department of Administration to recover seventeen (17) of thirty (30) parking spaces leased to Boston Investment Property, effective June 1, 2006. Pursuant to the Parking Agreement, the additional thirteen (13) spaces, which are not practical for use by the Department of Administration, but are valuable to Boston Investment Property, can be sold for market value to Boston Investment Property. Pursuant to the recommendations of the State Properties Committee, the language of the Parking Agreement has been revised to include a termination date of December 31, 2009, rather than the original date of December 31, 2014. This revision allows the Department of Administration to reacquire the thirteen (13) parking spaces on December 31, 2009, in the event a sale can not be arranged. The Parking Agreement has been executed by Donald L. Saunders. In lieu of a certificate of corporation, Mr. Saunders provided a letter to the Department of Administration, which states that he is the sole owner of Boston Investment Property.

Chairman Williams inquired whether the Department of Administration has confirmed whether approval by the Rhode Island Refunding Bond Authority was necessary for the sale of the thirteen parking spaces. Mr. Ferguson indicated that it has not confirmed whether the Rhode Island Refunding Bond Authority needs to approve the sale of the thirteen (13) parking spaces. Mr. Ferguson explained that the Parking Agreement sets in motion the process of defining ownership of the property as well as the surveying of the land. Once the property has been surveyed, the Department of Administration will coordinate with the Rhode Island Refunding Bond Authority regarding its approval. A motion was made to approve by Mr. Griffith. Chairman Williams asked that the motion for approval be made subject to the surveying and appraisal of the property as well as any action by Rhode Island Refunding Bond Authority. A motion was made by Mr. Griffith to approve subject to the surveying and appraisal of the property as well as any action by Rhode Island Refunding Bond Authority and seconded by Mr. Kay.

Passed Unanimously

ITEM D – Department of Administration – A request was made for approval for use of the State House and State House grounds on Saturday, June 17, 2006 for the Rochambeau Commission event. Mr. Gorham stated that he is steward of the project known as the Washington Rochambeau Revolutionary Route. The Washington Rochambeau Revolutionary Route commemorates the march of Generals Rochambeau and Washington to Yorktown to win the Revolutionary War. Mr. Gorham explained that the Boy Scouts of Rhode Island are retracing the route and will complete their march arriving at the State House on June 17, 2006. The Boy Scouts will join a number of people who have been invited from around the county to celebrate this event. Ms. Allaire

Johnson indicated that she had not received a certificate of insurance, and as beer and wine will be served at this event, a certificate of liability insurance is required. Mr. Ferguson indicated that Kevin Carvalho is attempting to obtain insurance for this event through the Tulip policy; however, at the present time there is no insurance certificate. Chairman Williams commented that over three hundred (300) people are expected to attend the event. Mr. Gorham indicated that he expects between one hundred (100) to two hundred (200) people to attend. Chairman Williams indicated that with that many people expected to attend the event, and in view of the fact that beer and wine will be served, the State of Rhode Island will require an insurance certificate to protect itself. Mr. Ferguson indicated that if the event is going to be catered, then the server will be required to present a certificate of host liability insurance. A motion was made to approve by Mr. Griffith subject to liability insurance and host liability insurance being obtained and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM E – Department of Human Services – This item was deferred to the Tuesday, May 23, 2006 State Properties Committee Meeting at the request of the Rhode Island Department Human Services.

ITEM F - Department of Transportation – A request was made for approval of and signatures on the Fifth Amendment to Lease and Operating Agreement between the Department of Transportation and the Rhode Island Airport Corporation to transfer the responsibilities for all design, construction, and operations of the Warwick Intermodal Train Station to the Rhode Island Airport Corporation. Mr. Carcieri stated that the Department of Transportation and the Rhode Island Airport Corporation have planned the

construction of the so-called Warwick Intermodal Train Station in Warwick, Rhode Island. The Warwick Intermodal Train Station will straddle Jefferson Boulevard and will be located approximately 1,300 feet west of the T.F. Green Airport Terminal. The Warwick Intermodal Train Station is intended to provide railroad service to T.G. Green Airport, Rhode Island Public Transit Authority service and car rental agencies, which will improve the comforts and services offered to the traveling public by T.G. Green Airport. The Fifth Amendment to Lease and Operating Agreement between that the Department of Transportation and the Rhode Island Airport Corporation incorporates, into the Master Lease, properties acquired and properties to be acquired for the Warwick Intermodal Train Station. The Fifth Amendment attaches to the Master Lease and is an exhibit document, along with a map and legal descriptions for the properties referenced. Mr. Carcieri explained that in the future, additional properties may be acquired, however, in that event, the Department of Transportation will return to the State Properties Committee seeking approval of a Six Amendment to the Lease. Mr. Carcieri explained that there is some urgency to obtain the Committee's approval of the document in order to secure an advantageous bond rate. The providers of the funding for the project require some commitment from the State of Rhode Island and time is of the essence with regard to that commitment. Mr. Alves indicated that the funding for this project is through a TIFIA loan, which is a federal loan. Chairman Williams asked if all properties listed in the Fifth Amendment were properties which the Department of Transportation has already acquired. Attorney Ward stated that all properties referenced in the Fifth Amendment are properties which the Department of Transportation has already acquired. Chairman Williams clarified that the Department of Transportation will return to the

State Properties Committee for approval of a Sixth Amendment if any additional properties are acquired. Mr. Williams asked if there are any other outstanding easements with Amtrak which could impact this project in anyway. Ms. Ward stated that the Department of Transportation is involved in negotiations with Amtrak for air rights and expects this item will be part of the next amendment. Ms. Allaire Johnson indicated that she did not receive all documents in time to thoroughly review the same prior to the meeting; however, she is concerned by the length of the term. Ms. Allaire Johnson explained that R.I. Gen. Laws §1-2-7 provides for a lease term of twenty (20) years and it appears that the documents are in excess of that timeframe. Ms. Ward indicated that the documents did exceed the twenty (20) year lease term; however, she stated that the General Assembly approved the Economic Development Corporation as the parent agency to the Rhode Island Airport Corporation to issue bonds specifically for this project under Kushner legislation. Ms. Ward indicated the term initially expired in June of 2005, and was extended to 2035 to accommodate the bonds which were authorized by the General Assembly. Ms. Ward stated that Chapter 05-117 of the Public Laws extended the term for one year from June 2005 to June 30, 2006 and that is why the Department of Transportation asked in the Fifth Amendment for the further extension of one year to accommodate the bonding authorized by the General Assembly. Ms. Allaire Johnson indicated she would require more time to review the documentation as she is not comfortable signing off on legal documents without having thoroughly reviewed them. Chairman Williams suggested that either the Committee approve the Fifth Amendment to the Lease subject to Ms. Allaire Johnson's review of the documentation, or a special meeting of the State Properties Committee could be scheduled for later in the week.

Chairman Williams indicated there was another item before the Committee to be discussed in Executive Session relating to Warwick Intermodal Train Station. Chairman Williams asked whether it would be advantageous for the Committee to defer voting on the Fifth Amendment until after the Executive Session. Ms Leach DeBlasio indicated that the Executive Session item is not included in the Fifth Amendment. A motion to approve subject to the review of the documents by the Department of Attorney General was made by Mr. Griffith and seconded by Mr. Kay

Passed Unanimously

Chairman Williams stated that as time is of the essence and out of an abundance of caution, a special meeting of the State Properties Committee should be scheduled in the event any issues arise which need to be addressed.

ITEM G – Department of Transportation – A request was made for the review of and signatures on the Quit Claim Deed to transfer approximately 4,889 square feet of property to Margus Nine, Inc. Mr. Harris indicated that the property is located southeast of the Henderson Bridge in the City of East Providence. Mr. Harris provided a plat map and site map to the Committee Members for their review. Chairman Williams asked whether the proposed purchaser was the sole abutter and whether the property would be landlocked if purchased by anyone other than Margus Nine, Inc. Mr. Harris indicated that the purchaser was the sole abutter and that land will become landlocked if purchased by anyone else. Chairman Williams stated that the Action Request Form included an appraisal value of the property, but did not indicate the amount of the final negotiated price. Mr. Harris indicated that final negotiated price is \$3.00 per square foot for a total amount of \$14,889.00. Chairman Williams asked whether the property was offered to the

former owners, or to the City of East Providence, since it was acquired through condemnation. Mr. Harris indicated that the Department of Transportation has attempted to contact the previous owners by forwarding correspondence to their last known address; however, the Department never received a response. Mr. Harris indicated that the property had been offered to the City of East Providence; however, a response was not received within the thirty (30) day time period. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM H – Department of Transportation – A request was made for conceptual approval to convey 41,200 square feet of land located on Eaton Street in the Town of Cumberland to Carriage Way Associates. Mr. Jackson presented an aerial photograph of the subject property to Committee Members for their review. Mr. Jackson indicated that the Department of Transportation has received comments from Statewide Planning and from the Office of Housing and Community Development which recommend that “the State Properties Committee approve the disposal of this parcel of land at public auction only if it has been clearly determined that this land is unsuitable or impractical for affordable housing.” Mr. Jackson indicated that the subject property is zoned R-1 Residential; the minimum zone marked is 80,000 square feet. The entire parcel consists of twelve (12) lots measuring forty (40’) feet by eighty (80’) feet or 41,200 square feet. Ms. Shawcross indicated that the subject property appears to be appropriate for the development of affordable housing, which would be very compatible with the surrounding neighborhood. Ms Shawcross stated that the property is very congruent to both the Community Comprehensive Plan for the Town of Cumberland and the State of

Rhode Island Strategic Housing Plan. Ms. Shawcross stated that the zoning of the property is proper and there is definitely a need for affordable housing. Thus, Ms. Shawcross requested that the State Properties Committee consider affording the Office of Housing and Community Development the opportunity to explore the possibility of developing the site for affordable housing. Chairman Williams clarified that the Department of Transportation is seeking conceptual approval and not final approval to convey the land to Carriage Way Associates. Chairman Williams asked Ms. Shawcross if the Committee set a condition that this property go up for public sale, would that afford the Office of Housing and Community Development time to investigate the possibility of developing this property for affordable housing with developers. Ms. Shawcross indicated that she would prefer that the Office of Housing and Community have the opportunity to propose a bid before the land is goes to a public bid. Chairman Williams ask Ms. Shawcross how much time the Office of Housing and Community Development would need to determine whether the subject property was suitable for the development of affordable housing. Ms. Shawcross indicated that the Office of Housing and Community Development could more than likely determine whether it was interested in developing the site for affordable housing within one month. Chairman Williams reminded the Committee that this request was for conceptual approval and therefore, the Department of Transportation will have to appear before the State Properties Committee for final approval. Chairman Williams indicated he would prefer that this property go out to public bid rather than just negotiating with the applicant, as it is a large parcel of land and will most likely generate interest. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM I – Department of Transportation – This item was removed from the Agenda at the request of the Department of Transportation.

ITEM J – Department of Transportation - A request was made for the review and execution of a Quit Claim Deed between the Department of Transportation and Oaklawn Realty, LLC. Mr. Jackson explained that the State Properties Committee granted conceptual approval for the sale of property located on Route 2 in the City of Cranston on August 30, 2005. The property consists of 32,700 square feet and is valued at \$15.00 per square foot for a total purchase price of \$490,700.00. Mr. Jackson presented a map and aerial photograph of the property to the Committee Members for their review. Chairman Williams asked if the purchaser of the property is an abutter. Mr. Jackson stated the purchaser is an abutter. Chairman Williams asked if the appraisal was an internal or external appraisal. Mr. Jackson indicated the appraisal was done internally. Ms. Allaire Johnson asked whether the Department of Transportation contacted the previous owner. Mr. Jackson indicated the previous owner had been contacted. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Griffith.

Passed Unanimously

ITEM K – Department of Transportation – A request was made for review and execution of an Easement Agreement between the Department of Transportation and Narragansett Electric Company (National Grid). Mr. Jackson explained that the Easement Agreement would allow underground electrical service to a pad-mounted transformer from existing manhole EMH #6066 extending underground to a proposed pad-mounted transformer located within certain portions of the Grantor's land. Mr.

Jackson stated that this electrical service is for the baggage claim area of the T.F. Green Airport. Chairman Williams asked if the Operating Agreement required Rhode Island Airport Corporation to execute the Easement Agreement. Mr. Jackson indicated that Rhode Island Airport Corporation did not have to execute the agreement. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM L – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the Department of Environmental Management and Circus Smirkus for performances at Colt State Park from July 27, 2006 to July 2006. Mr. Faltus explained that Circus Smirkus is non-profit youth circus, which has previously performed at Fort Adams State Park and Colt State Park. Circus Smirkus is a family oriented event and the Department of Environmental Management received positive feedback regarding the event last year at Colt State Park. Mr. Faltus indicated Circus Smirkus has a Certificate of Insurance on file with the Department of Environmental Management; however, it will expire on June 25, 2006, and therefore needs to be updated with the upcoming dates. Mr. Faltus asked that the Committee approve the License Agreement subject to the updated Certificate of Insurance. A motion was made to approve subject to the updated Certificate of Insurance be obtained by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for approval of and signatures on a Deed to Development Rights for the acquisition of development rights over 84 acres of land owned by North Green Holdings, LLC. Ms.

Kay explained that the property is located on Old Pound Road in North Smithfield and is a small dairy farm and also includes hay fields. The property is being acquired with two sources of funding. The Agricultural Land Preservation Commission is contributing \$300,000.00 and Nature Conservancy has agreed to contribute \$251,125.00 to the project. The Purchase and Sale Contract was approved by the State Properties Committee on September 13, 2005. The Department of Environmental Management has completed a survey of the property and the title work. Ms. Kay stated that there were several appraisals done of the property and determined the value of the property to be between \$700,000.00 and \$900,000.00. The prior owner of the property, Doris Green, applied to the Agricultural Land Preservation Commission and the Department of Environmental Management innumerable times during her lifetime to have this property preserved. Ms. Kay explained that as this property consists of farmland and contains endangered species, the Department of Environmental Management was not able to put together a funding package during her lifetime. The purchasers of the property, which is an abutting landowner, made an agreement with the estate, and her heirs are willing to accept far less than the appraised value of the land in order to ensure that the property is permanently preserved. The property will continue to be used for agricultural purposes and the deed contains a provision, which will allow for the protection of the endangered species. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM N - Department of Environmental Management – This item was deferred to the State Properties Meeting to be held on May 23, 2006, at the request of the Department of Environmental Management.

ITEM O - Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease between the Department of Environmental Management and Galilee Grocery, Inc. for Lot 96 at the Port of Galilee, Narragansett, Rhode Island. Ms. Kay explained that Galilee Grocery, Inc. is small grocery store, which has been run for the past fifty (50) years by Alan Robertson. The store was previously located on private property further down the street in the Port of Galilee, which abutted the State parking lot. The store supplied food products to the commercial fishing vessels and the community. Approximately five (5) years ago, Mr. Robertson approached the Department of Environmental Management, because the owner of the private parcel was evicting Mr. Robertson in order to turn the land over to private use. The State of Rhode Island owns larger parcels of land nearby and asked an existing tenant to carve out a small area on the corner of one of those properties to allow Mr. Robertson to continue the operation of his grocery store. A number of senior citizens, who reside on Great Island, rely on the grocery store for their groceries. Mr. Robertson also sells prepared foods, which are very popular with the locals. Mr. Robertson is now ready to retire and David Westcott and his wife have taken over the operation of the grocery store and intend to operate it in the same way it has been operated in the past. The Westcott's appeared before the Galilee Lease Advisory Committee and were supported by both the fishing community and local residents. The store is strictly a small grocery store, which includes a small ice cream window during the summer months. Pursuant to the Lease, the rent for the 10,000 square feet has increased from thirty (30) cents to fifty (50) cents per square foot, which increases the annual rent from \$3,000.00 to \$5,000.00. Ms. Kay indicated that the lease amounts are

subject to the State Properties Committees' approval and therefore, she is not only requesting approval of the Lease, but also approval of the new rental amount, which has been reviewed by the Department of Environmental Management and is found to be consistent with the Phase I lease amounts which increase the rental values in Galilee by twenty (20%) percent. Mr. Griffith clarified that Department of Environmental Management is requesting the Committee approve the lease and the increased annual rent, but not Phase II. A motion was made to approve the Indenture of Lease and the increased annual rental amount by Mr. Griffith and second by Ms. Allaire Johnson.

Passed Unanimously

ITEM P – Department of Environmental Management – A request for approval of and signatures on an Indenture of Lease Agreement with Lucille Parent for Lot 251, at the Port of Galilee in Narragansett. Ms. Kay explained that the lease is for a seasonal gift shop known as May's Gift Shop. Lucille Parent operated the business for many years before her health began to fail a few years ago. During that time, the business was operating on a part time basis, until one year when it did not open at all. In view of the great demand for available space in Galilee, the Department of Environmental Management became concerned, as it wanted the space to be productive. The Department of Environmental Management began to pressure Lucille Parent to either sell the business or create business plan. Ms. Parent's created a business plan to sublease the property during the tourist season. This Lease is for a term of three (3) years from April 1, 2006 through March 31, 2009. The tenant and sublease operation has existed for the past five (5) years with satisfactory results. The gift shop operates under very tight restrictions and any change to the business would have to be approved by the Department

of Environmental Management and the Galilee Lease Advisory Committee. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM Q – Department of Environmental Management – A request was made for approval of and signatures on a Sublease Agreement between Lucille Parent and Mohmed Yousef Bahra for Lot 251 at the Port of Galilee in Narragansett. Ms. Kay explained that Mr. Bahra subleases the premises from Ms. Parent and operates May's Gift Shop during the tourist season and has done so for the past five years. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEMS R – MM – Department of Mental Health, Retardation & Hospitals – A request was made for approval of and signatures on twenty-two (22) Lease Agreements. Chairman Williams inquired whether the lease agreements before the Committee are similar to lease agreements, which were recently approved by the State Properties Committee. Ms. Morgan indicated that the remaining leases were those, which did not have certain required documentation, at the time the leases previously came before the Committee. Ms. Morgan indicated that the Department of Mental Health, Retardation & Hospitals had to obtain certificates of insurance and certificates of authorization from the providers. Ms. Allaire Johnson indicated that some of the leases she had reviewed did not have certificates of insurance. Ms. Morgan explained that all the Lease Agreements were for a term of ten (10) years. The Department of Mental Health, Retardation & Hospitals lease facilities to providers which provide services to adults with developmental disabilities. The providers are one hundred (100%) percent funded by the

Department of Mental Health, Retardation & Hospitals and as such the amount of the leases is one (\$1.00) dollar. The Lease Agreements are all renewals of existing leases except for the Perspective Corp. lease for the premises located at 21 Pond House Road, North Smithfield. The premises had initially been licensed to Gateways to Change. Residents of the premises together with their family members requested a change of providers. The new provider, Perspective Corp, is providing the same services to the same individuals, but as it is a new provider it is considered a new lease. Chairman Williams asked if the Department of Mental Health, Retardation & Hospitals completes a significant analysis of the providers before they hired. Ms. Morgan indicated that the providers are certified through the Division of Developmental Disabilities and licensed by the Department of Mental Health, Retardation & Hospitals. The Department of Mental Health, Retardation & Hospitals has the authority to investigate any violation of the regulations or any allegations of abuse and/or neglect of any of the individuals living in these facilities. The Kent County Arc facility located at 3445 Post Road, Warwick is the Trudeau Center. It is a rehabilitation center, not a group home. The Living in Fulfilling Environments lease for the premises located at 1463 Main Road is one lease, but there are actually two separate dwellings on that property. One is a home, which has seven individuals residing in it and the other is a carriage house which houses two (2) individuals. Ms. Allaire Johnson named the facilities, which needed certificates of insurance as follows: (1) Justice Resource Institute has a certificate of insurance, however, it expired on May 12, 2006 and needs to be updated; (2) Living in Fulfilling Environments for the premises located at 137 County Road in Barrington; (3) Living in Fulfilling Environments for the premises located 73 Jiley Hill Road in Tiverton; (4)

Living in Fulfilling Environments for the premises located 1463 Main Road, in Tiverton; (5) Living in Fulfilling Environments for the premises located 471 Forbes Street in East Providence; (6) Living in Fulfilling Environments for the premises located at 112 Chaplin Drive in Coventry; and (7) Ocean State Community Resource for the premises located at 173 Sayles Hill Road includes the wrong certificate insurance. Ms. Allaire Johnson indicated that there is a typographical error in Item II of the agenda, which indicated the address of the premises as 199 West Hill Drive. The correct address is Glen Hills Drive, Cranston. A motion was made to approve Item R through Item NN subject to the required certificates of insurance being obtained by Ms. Allaire Johnson and seconded by Mr. Griffith.

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 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 was made to enter into Executive Session by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM E1 – Department of Transportation – A request for reauthorization to acquire land necessary for the construction of the Warwick Intermodal Train Station located at Jefferson Boulevard in Warwick, Rhode Island. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

Chairman Williams stated that he received a telephone call regarding the Station Park License Agreement and Amtrak has agreed to remove the environmental risk assessment language from the License Agreement. Attorney Mitchell indicated that he had spoken with Attorney Jane Weiss of Amtrak, and she also confirmed that Amtrak will forward a revised License Agreement, without the provision in paragraph twenty (20) regarding the environmental risk assessment. A motion was made to approve the Station Park License Agreement between the Department of Administration and Amtrak subject to concurrence by the City of Providence and Capital Properties and subject to obtaining the additional insurance at the request of Amtrak 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 12:28 p.m. Mr. Griffith made a motion to adjourn, which was seconded by Ms. Allaire Johnson.

Passed Unanimously

Holly H. Rhodes, Executive Secretary