

STATE PROPERTIES COMMITTEE

Tuesday, May 23, 2006

The meeting of the State Properties Committee was called to order at 10:12 a.m. by Chairman Jerome F. Williams. Other members present were Mr. William H. Ferguson 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 Meredith Holderbaum from Senate Fiscal Office; John P. Ryan, Marlene McCarthy Tuohy and Blanche Higgins from the Rhode Island Department of Administration; J. Vernon Wyman from the University of Rhode Island; Robert B. Jackson, Richard T. Kalunian and Grace Smith from the Rhode Island Department of Transportation; Joseph Dias from the Department of Environmental Management; Attorney Deborah Buffi and Daniel Evangelista from the Rhode Island Department of Human Services; Attorney Brian Peterson from the Division of Motor Vehicles and Salvatore Lombardi and Maureen A. Tripp from the American Federation of State, County and Municipal Employees.

1. New Business - Miscellaneous – The next meeting of the State Properties Committee is scheduled to be held on Tuesday, June 6, 2006.

A motion was made to approve the minutes from the State Properties Committee Meeting of May 9, 2006, by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

A motion was made to approve the minutes from the Executive Session of the State Properties Committee Meeting of May 9, 2006, by Ms. Allaire Johnson and seconded by Mr. Kay. Mr. Kay indicated that the Executive Session minutes contained a

typographical error concerning the motion to move back to open session. The minutes from the Executive Session of the State Properties Committee Meeting of May 9, 2006 were approved subject to the correction of said typographical error.

Passed Unanimously

ITEM A – Department of Administration – This item was deferred to the June 6, 2006, State Properties Committee Meeting at the request of the Rhode Island Department of Administration.

ITEM B – Department of Human Services – A request was made for approval of and signatures on two (2) Certificates of Transfer relative to the transfer of four (4) parcels of land from the Department of Mental Health, Retardation and Hospitals to the Rhode Island Department of Human Services Veterans' Cemetery. Ms. Buffi stated that she has prepared two (2) Certificates of Transfer, which transfer Parcels A, B, C and D from the Department of Mental Health, Retardation and Hospitals to the Rhode Island Department of Human Services Veterans' Cemetery. Mr. Evangelista presented a map of the Veterans' Cemetery to the Committee Members, which illustrated the four (4) parcels of land to be transferred and the surrounding areas. Mr. Evangelista explained that as a result of the transfer of the parcels of land, the Cemetery will undergo a modernization, which will include the construction of a new administration building and maintenance facility. Ms. Buffi stated that in accordance with the State Properties Committee's recommendation, the Department of Human Services contacted the Town of Exeter Town Council both in writing and via the telephone to advise the Town of its intention to transfer the land. Ms. Buffi indicated the Town of Exeter is very receptive and supports the transfer of the land. Mr. Kay asked if any other groups or agencies will

utilize the land which is being acquired. Mr. Evangelista indicated that no other groups or agencies will utilize the land being acquired. Mr. Ferguson indicated that there has been some discussion regarding the possible construction of an athletic field in the vicinity of Parcel B. Ms. Buffi stated the Department of Human Services is aware of the possibility of an athletic field and fully supports the construction of the same. A motion was made to approve by Mr. Kay and seconded by Ms. Allaire Johnson. Mr. Evangelista and Ms. Buffi thanked the Committee and other State agencies for their support and assistance in this matter.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for approval of and signatures on the Sublease Agreement between T Mobile USA, Inc. d/b/a Omnipoint Communications, Inc. and Nextel Communications, Inc. Mr. Jackson explained the Sublease Agreement would allow Nextel to install antennas on Site 4PR-0632-I Primrose, located at 646 Douglas Pike, North Smithfield. The Sublease will guarantee the State of Rhode Island a revenue stream of Nine Thousand Nine Hundred and 00/100 (\$9,900.00) Dollars per annum which is fifty (50%) of the annual rental payments to be received by the Tenant as defined in Paragraph 16 of the Master Lease Agreement dated December 16, 1997. Ms. Allaire Johnson indicated that she initially had concerns relating to some of the language regarding the term of the lease. However, she stated that the Sublease has been modified to address these concerns and meets with her approval. Chairman Williams asked whether the sublease contains a termination clause. Ms. Allaire Johnson stated that under the original lease, the termination clause provides for termination of the Lease for defaults, upon thirty (30) day written notice for either party, or by the Licensee,

in that event it is not able to obtain license approvals. Chairman Williams asked if, in the event the Licensee is taken over, can the new entity terminate the sublease? Ms. Allaire Johnson stated that the sublease cannot be terminated by the new entity. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM D – Department of Transportation – A request was made for conceptual approval to convey property located at the junction of Route 2 (Quaker Lane) at Stony Lane, in the Town of North Kingstown consisting of forty eight thousand two hundred thirty eight (48,238) square feet. Mr. Jackson presented a map of the property to the Committee Members for their review. Mr. Jackson indicated that both the Statewide Planning Program and the Department of Planning and Development of the Town of North Kingstown recommend the State Properties Committee deny the Department of Transportation’s request for conceptual approval to convey the property as the property has a long history of being dedicated for open space and is currently zoned open space. Mr. Jackson indicated that the Department of Transportation is seeking conceptual approval from the State Properties Committee as a procedural formality. Chairman Williams stated that as the property has been deemed open space and the Town of North Kingstown indicated the intended use of the property is not consistent with current open space zoning designation of the property and the North Kingstown Comprehensive Plan, he will not be in favor of the sale of this property for a business enterprise. Both Mr. Kay and Ms. Allaire Johnson concurred with Chairman Williams’ opinion. Chairman Williams inquired whether the representative from the Statewide Planning Program wished to speak. Ms. Higgins declined as the recommendation of both the Statewide

Planning Program and the Department of Planning and Development of Town of North Kingstown had been properly represented. A motion to deny the request for conceptual approval to convey the subject property was made by Ms. Allaire Johnson and seconded by Mr. Kay on the basis that said request conflicts with the Town of North Kingstown Comprehensive Plan and the current open space zoning.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of and signature on a gratis License Agreement between the Department of Transportation and the City of Newport for a parcel of land consisting of approximately 30,000 square feet located along Memorial Boulevard between Chapel Street and Edgar Court in Newport, Rhode Island. Ms. Smith provided a map of the subject property to the Committee Members. Ms. Smith explained that the City of Newport wishes to utilize the site for a weekly farmers’ market to be held on Wednesday afternoons from 2:00 p.m. to 6:00 p.m. from May to October. The site is an ideal location for a farmers’ market as it is adjacent to business and residential areas inclusive of senior and affordable housing as well as along a bus route. The License Agreement is for a period of five (5) years from May 15, 2006 through May 14, 2011. The City of Newport is entering into a separate agreement with the Aquidneck Growers Market, which mirrors the license agreement between the Department of Transportation and the City of Newport, however, some additional terms and conditions have been added with respect to the Aquidneck Growers Market’s use of the property as well as clean up and maintenance of the property. Both agreements contain revocable-at-will provisions in the event the State of Rhode Island should need the property for an alternate use. The City of Newport and the Aquidneck

Growers Market have provided insurance indemnifying the State of Rhode Island and naming it as an additional insured. The agreement between the City of Newport and the Aquidneck Growers Market also indemnifies both the State of Rhode Island and the City of Newport. The City of Newport currently maintains the subject property and will continue to do so. The City of Newport will be charging the Aquidneck Growers Market a minimal fee for expenses such as extra litter collection and the purchase and grass seed and fertilizer to repair any damage caused by the vendors' stalls. Mr. Ferguson indicated that as there have been numerous requests for license agreement for farmers markets, the State of Rhode Island should develop standard language for these license agreements. Mr. Ferguson also indicated that there has been concern regarding the insurance coverage for these events. In the past, the Department of Environmental Management has been responsible for ensuring the farmers have insurance coverage. Mr. Ferguson believes that there should be some sort of blanket insurance coverage provided for the farmers in the event they are unable to obtain coverage of their own. Mr. Ferguson also expressed concern relative to the approval of multiple-year license agreements, in light of the insurance issue. Chairman Williams clarified that the License Agreement between the State of Rhode Island and the City of Newport is revocable-at-will and that an insurance certificate has been provided. Ms. Allaire Johnson agreed that a standard form of license agreements for farmers' markets needs to be developed as presently each agency is creating its own license agreements. Ms. Allaire Johnson indicated that in this case the insurance certificate is due to expire on June 8, 2006; therefore, she will require the Department of Transportation to obtain an updated certificate of insurance at the expiration of the current certificate. Ms. Smith stated that both the Aquidneck Growers

Market and the City of Newport will provide the Department of Transportation with updated insurance certificates on or before the expiration of the current certificates. Mr. Kay asked if any of the trees on the subject property would be cut down in order to accommodate the farmers' market. Ms. Smith indicated that no trees would be cut down or disturbed. Mr. Ferguson asked whether the State of Rhode Island has to provide notice to the City of Newport in order to terminate the License Agreement. Ms. Smith indicated that as the License Agreement is revocable at will, the Licensee has waived notice and any opportunity to be heard concerning revocation. However, Ms. Smith indicated the Department of Transportation would certainly notice the City of Newport as soon as possible in the event it wished to terminate the agreement. A motion to approve was made by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM – F – Department of Transportation – A request was made for approval of and signatures on the renewal of License Agreement between the Department of Transportation and John and Jane Conway d/b/a Little Red Hen School for a parcel of land consisting of approximately 2,500 square feet located on the westerly side of the State-owned right-of-way adjacent to Old Forge Road in Warwick. Ms. Smith provided the Committee Members with a photograph of the subject property for their review. Ms. Smith explained that the Little Red Hen School utilizes the subject property for intermittent vehicle parking for student drop-off and pick-up throughout the day. The employees of the school park their vehicles on school property. Mrs. Conway maintains and plows the subject property. Mrs. Conway has owned and operated the Little Red Hen School for over two (2) decades and has been a commendable Licensee. The

License Agreement is for a term of five (5) years from June 1, 2006, through May 31, 2011. The fee has been established at One Hundred Five and 00/100 (\$105.00) Dollars per month, determined by an appraisal of the property based upon comparable sales. Pursuant to the terms of the License Agreement, the Department of Transportation has the right to recalculate the rent at the end of the third (3rd) year of the License Agreement. The License Agreement is revocable-at-will. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Environmental Management - A request for approval of and signatures on a License Agreement between the State of Rhode Island and the United States Golf Association. Mr. Dias stated that the 2006 Women's Open Golf Championship will be held at the historic Newport County Club from June 29, 2006, through July 2, 2006. Mr. Dias explained that the parking in this area has been a major factor in the planning of this event. The United States Golf Association is requesting use of two State facilities, Fort Adams and Brenton Point State Parks for auxiliary parking. Fort Adams State Park will be utilized for parking for volunteers, United States Golf Association officials and some corporate guests. Brenton Point State Park will be utilized for additional vendor parking as well as parking for the players and their caddies. The United States Golf Association has agreed to restore all property to its previous state. The United States Golf Association has sub-contractors, which will handle parking and security. The United States Golf Association has also agreed to hire and pay detail pay to the Environmental Police Officers, at a rate to be determined by the Chief of the Environmental Police. Chairman Williams asked if the License Agreement indemnifies

the State of Rhode Island. Mr. Dias stated the State of Rhode Island is indemnified as to any liability pursuant to the License Agreement. Mr. Dias indicated that the parking is free of charge. Chairman Williams asked if any of the proceeds from this event would be utilized as charitable contributions. Mr. Dias indicated all proceeds from this event go back to the United States Golf Association to fund its youth programs, and contributions which benefit Button Hole Golf Course. Mr. Ferguson asked whether the Department of Transportation is requiring a damage deposit. Mr. Dias stated that no damage deposit is required. Mr. Kay requested that the limit of \$300,000.00 for the damage to rented premises portion of the liability insurance be increased to \$1,000,000.00. A motion was made to approve subject to an increase in liability coverage from \$300,000.00 to \$1,000,000.00 by Mr. Kay and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM H – Department of Environmental Management - A request was made for approval of and signatures on a Conservation Easement between the State of Rhode Island and the Nature Conservancy. The subject property consists of 167.12 acres of land. The property is described as West Greenwich Assessor's Plat 60, Lot 8 and Exeter Assessor's Plat 11, Block 2, Lots 5 & 7 on the easterly side of Hopkins Hill Road. The Department of Transportation is purchasing the Conservation Easement from the Nature Conservancy for the amount of the Rhode Island Open Space Grant, which was previously awarded to the Nature Conservancy in 2002. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM I – Division of Motor Vehicles - A request for final approval of the Lease Agreement between the Division of Motor Vehicles and Trolley Barn Associates, LLC for the premises located at 891 Cranston Street, Cranston, Rhode Island. Mr. Peterson explained that he was very pleased to be before the State Properties Committee for final approval of the Lease Agreement between the State of Rhode Island and Trolley Barn Associates for the new headquarters for the Division of Motor Vehicles. This Lease Agreement closely tracks the terms and conditions of the Request for Proposals (“RFP”) for the Division of Motor Vehicles’ headquarters. Mr. Peterson indicated that facility consisted of 45,000 square feet of both customer service and office space and will dramatically improve service to Division of Motor Vehicles’ customers. On January 26, 2006, the State Properties Committee granted permission for the Division of Motor Vehicles to enter into negotiations with Trolley Barn Associates. The Lease Agreement is for 45,000 square feet, at a rental rate of \$23.90 per square foot, for an annual rent of \$1,075,500.00. The Lease Agreement includes 500 dedicated parking spaces. The utilities will be paid directly by the State of Rhode Island. The landlord will provide janitorial services, snow and ice removal, trash removal and maintenance of the building. The License Agreement contains a termination clause, which allows the State of Rhode Island to terminate the Lease Agreement after six (6) years, with a one (1) year written notice. Thus, the Lease Agreement can be terminated after seven (7) years. Mr. Peterson indicated that the State of Rhode Island hopes to occupy the building by March of 2007. Mr. Peterson indicated that the facility has not yet been built, however the Division of Motor Vehicles will occupy the first floor of the two story facility. Mr. Ferguson asked whether the Lease Agreement contains a rent escalation clause. Mr. Ryan indicated the

there is no rent escalation clause. Ms. Allaire Johnson commended the individuals who negotiated the Lease Agreement. This Lease Agreement follows the standard lease agreement and is significantly better than the proposed lease agreement from the original RFP process. Mr. Lombardi asked questions regarding storage tanks on the site of the facility and whether the soil has been tested to determine whether any contamination is present. Chairman Williams indicated that according to the Department of Environmental Management there are no environmental issues relative to the site. Mr. Lombardi inquired who will be liable for the cost of clean-up in the event contaminants are discovered once the building is erected. Chairman Williams indicated that in the event any contaminants were found during the construction of the building, he believes the cost of clean-up would be the responsibility of the landlord. A motion to approve was made by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

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 Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM E1 – Department of Transportation – A request was made for approval to acquire land necessary for the replacement of the Sakonnet River Bridge in Portsmouth. After discussion in Executive Session, a motion to approve was made by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for authorization to acquire easements from Amtrak for the construction of the Warwick Intermodal Train Station in Warwick. After discussion in Executive Session, a motion to approve was made by Mr. Kay and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM E3 – Department of Transportation – A request was made for authorization to acquire land and easement in the City of Warwick for the construction of the Warwick Intermodal Train Station in Warwick. After discussion in Executive Session, a motion to approve was made by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:57 a.m. Ms Allaire Johnson made a motion to adjourn, which was seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary