

STATE PROPERTIES COMMITTEE

Tuesday, February 8, 2005

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, Richard Woolley, Esquire, representing the Department of Attorney General, Mr. Robert Griffith, representing the Department of Administration, and Mr. Thomas Barry. Also present were Ms. Marlene McCarthy-Tuohy, from the Department of Administration; Ms. Maureen McMahon and Messrs. Daniel Clarke, Paul Carcieri and Marc Malkasian, from the Department of Transportation; Mr. Al Dahlberg and Ms. Nellie Gorbea, from the Office of the Secretary of State; Mary Kay, Esquire, and Mr. Larry Mouradjian, from the Department of Environmental Management; Mr. Edward Rudegear, from the Department of Mental Health, Retardation and Hospitals; Mr. Joseph Paolino for Paolino Associates and Mr. Michael Voccola, for PRI X, LLC; and Messrs Michael Walsh and Marc Chremen for T-Mobile.

The Minutes of the meeting held on January 25, 2005 were approved.

1. OLD BUSINESS

2. NEW BUSINESS – Miscellaneous - The next meeting of the State Properties Committee is scheduled to be held on Tuesday, February 22 2005.

ITEM A – SECRETARY OF STATE – A request was made by the Office of the Secretary of State for permission to advertise a Request for Proposals for leasing of office space.

The Office of the Secretary of State has two leases for office space. One is with MSI Holdings for office space located within 100-110

North Main Street, Providence. This Lease is for 12,152 square feet and this Lease expires on October 31, 2005. The second Lease is for 16,000 square feet of space located at 343-344 Westminster Street, Providence. This location was chosen as interim home for the archives after a fire at the previous location, and the Lease expires on January 31, 2006. The Office of the Secretary of State is seeking permission to do a Request for Proposals for both spaces. The Office of the Secretary of State would like to look in the Providence area because of the customers who would be frequenting the offices.

A Motion was made by Mr. Thomas Barry and seconded by Mr. Richard Woolley, to approve the request of the Office of the Secretary of State for permission to advertise a Request for Proposals for leasing of office space.

Passed Unanimously

ITEM B – DEPARTMENT OF ADMINISTRATION – A request was made by the Department for approval to allow T-Mobile to install a cell tower on the Pastore Center water tank.

T-Mobile is interested in leasing space to install a cell tower on the Pastore Center water tank. The Department was looking for conceptual approval to begin negotiations on the Lease that T-Mobile has proposed to attach mobile phone antenna and equipment. A draft Lease was submitted and the details of the Lease have to be worked out. The Chair Mr. Williams stated that the Department of Administration will put Mr. Rudgear in touch with staff from Information Tchnology.

A Motion was made by Mr. Woolley and seconded by Mr. Griffith to

approve the request of the Department for conceptual approval to negotiate a Lease with T-Mobile to install a cell tower on the Pastore Center water tank.

Passed Unanimously

ITEM C – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for conceptual approval to convey property on Ocean Road, Narragansett.

The Department requested conceptual approval to convey property consisting of 3,600 square feet of land adjacent to Ocean Road in Narragansett to Trish DeLessio. This property was acquired by the Department in 1997 by virtue of Condemnation Plat 541C. There were some issues with the Department of Environmental Management regarding the environmental impacts of the property. The Departments have reached an agreement, immortalized by a letter to James Capaldi, Director of the Department of Transportation from Frederick J. Vincent, Acting Director of the Department of Environmental Management, indicating that this property would be sold but the Department of Transportation would maintain a conservation easement over that property so that nothing will be built on that property. This property is merely to enhance the DeLessio's yard and allow them to use what is now set-back property for beautification purposes.

A Motion was made by Mr. Griffith and seconded by Mr. Woolley to approve the request of the Department for conceptual approval to convey property on Ocean Road, Narragansett.

Passed Unanimously

ITEM D – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on Deed of Easement from Centerdale Manor Associates Limited Partnership in conjunction with a Physical Alteration Permit.

The Department approved a Physical Alteration Permit. This is for a drainage easement in front of the Centerdale Manor on Smith Street in North Providence. Centerdale Manor is deeding the Department the property. There is no monetary compensation. The Department will be maintaining the easement, but Centerdale Manor Associates Limited Partnership put all the pipe in. A lengthy discussion took place regarding why the Department is maintaining the line, when Centerdale Manor Associates Limited Partnership put the pipe in. The Chair, Mr. Williams stated that the Committee does not have enough information relative to the matter. He questioned why the State is maintaining something that is on private property. Ms. Maureen McMahon from the Department of Transportation, left the meeting to get further information from the Department. This item was tabled until later to allow Ms McMahon to obtain additional information.

ITEM E – DEPARTMENT OF TRANSPORTATION – A request was made by the Department for approval and signatures on License Agreement between the and the Masonic Temple Development Company, LLC.

The Masonic Temple Development Company, LLC. is the company that is developing the Masonic Temple into a hotel. This is a gratis agreement for the use of 8,989 square feet of property which is going

to be called the Avenue of the Arts as a construction staging area. It is gratis because this is going to be a benefit to the State. The term of the License is from February 11, 2005 to December 31, 2005.

A Motion was made by Mr. Woolley and seconded by Mr. Griffith to approve the request of the Department for approval and signatures on License Agreement, RIDOT and the Masonic Temple Development Company, LLC.

Passed Unanimously

ITEM F – DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – A request was made by the Department for approval and signatures on Assignment and Assumption Agreement for the assignment of the Lease for the Lighthouse Inn property in Galilee between the Department and PRI X, LLC.

The Department presented a proposed Assignment and Assumption Agreement for the Dutch Inn (or the Lighthouse Inn) in Galilee between the Department and PRI X, LLC. The Department came before the Committee one year ago with a proposed debt restructure for the tenant. That tenant was pushed into a receivership action and that restructuring and their refinancing never occurred. That matter was then transferred to the United States Bankruptcy Court and the Court ordered the sale of the assets of the corporation, the Lease being one of the assets of the corporation. In order to complete the sale, there was a bid that was held. Advanced Financial Services, who was the mortgage holder bought the property and then they reached an agreement with PRI X, LLC to sell the property to them in December. The Department met with the principals of PRI X LLC and

a variety of experts, including parking experts, and hotel management experts and a presentation was made to the Department on their plans for the acquisition of the Dutch Inn which would include and require them to continue operating it as a hotel and parking lot, while also making improvements to the property. The Department received late notice that there was some urgency to the sale moving forward and received a letter from the attorney a month ago stating the closing would be held within the next sixty (60) days. The Trustee called the Department and stated for insurance reasons, their insurance was going to be expiring, and they needed to transfer the property prior to the expiration of that insurance and the Department placed the matter on the Agenda. All required paperwork has been received, including the signed Assignment and Assumption Agreement. This is only good for ninety (90) days. If they do not close within that ninety (90) day period, the Agreement terminates. Mary Kay, Esquire will be holding the Agreements until the closing of the matter. The Department has done background checks and due diligence on the corporation. Mr. Woolley had some concerns about the insurance certificate. He had some concerns about the language that said it is subject to the terms and conditions of the policy. Ms. Kay said that is language that the Department can work with the insurance provider to insure that it would meet any of the concerns of the Attorney General's Office.

Ms. Kay turned the presentation to Mr. Joseph Paolino and Mr. Michael Voccola to explain some of the plans for the property in Galilee. Mr. Paolino stated he knows the State's goals and desires

and this Dutch Inn has always been a focal point. He went on to say that what he has done, while acquiring it, joined with the Procaccianti Group where they could work with them to develop this development.

Mr. Paolino said he has met with local Town Council, Police Chief, Town Manager, Chamber of Commerce and the Advisory Committee to Galilee, meeting with the residents to talk about the plans. They want to get it opened up before Memorial Day and get the parking operation going as quickly as possible. He went on to say talks are underway about refurbishing the development. He stated that it is cold in the building and the heat has been shut off and he wants to get the engineers and heating people there and check out the pool, the plumbing, etc. A closing has been scheduled for February 17.

Mr. Woolley stated he had just received the documents and has not had an opportunity to fully evaluate and look it over. He said he needs more time to review the documents and would like to have the matter deferred to the next meeting or to have a Special Meeting. He stated he has some concerns about the technical aspects of the document and would like to have an opportunity to review this with Mary Kay. After further discussion and because of the urgency of this matter it was decided that a special meeting be scheduled for presentation of this matter.

Further discussion ensued regarding the renovations. Mr. Voccola stated, the development team will be going to the property on February 9 with operations people on the management side, and construction and renovation people on the renovation side, as well as Mr. Paolino's people on the parking side to fully evaluate what has to

be done so that they can begin once the formal transaction is consummated. After further discussion regarding the Lease, the Chair Mr. Williams stated Galilee is an important Port and it is an important asset of the State, and one of the things that the Committee is charged to looking at is the fair market value for the assets that are utilized and without negatively impacting the Port. He went on to say, when this matter came up prior to this, one of the things the Committee was concerned about was the revenue stream for that property. The Chair stated, when you look at just the parking, it looked as though the State was giving away the Lease relative to revenues coming in just for the parking. The Committee recognized that the hotel may or may not have made money in the past, but there was a series of discussions and negotiations that went on to revise the Lease. Further discussion ensued regarding the Lease of that property and the parking.

The matter was tabled until the Special Meeting is established and Attorney Mary Kay will work with Attorney Richard Woolley.

The matter which was scheduled to be presented under the Executive Session was deferred to the February 22, 2005 meeting.

Ms. Maureen McMahon, from the Department of Transportation returned to the meeting to complete the presentation for the request made by the Department for approval and signatures on Deed of Easement from Centerdale Manor Associates Limited Partnership in conjunction with a Physical Alteration Permit.

Ms. McMahon stated she spoke with the Department's Design Engineer. He stated that in 1933 the Department did not take an

easement along that pipe. In those days, the Department would take a “right of flowage”, and as a result that is why the Department is now taking the easement around the pipe. It is the Department’s pipe that goes into the Department’s roadway and also, because there was some contamination issues, the EPA had given them funds to put what they call a sediment basin on the pipe. That is going through the Department’s roadway and the Department is putting an easement because it does need to maintain it.

A Motion was made by Mr. Griffith and seconded by Mr. Barry to approve the request of the Department for approval and signatures on Deed of Easement from Centerdale Manor Associates Limited Partnership in conjunction with a Physical Alteration Permit.

Passed Unanimously

All matters presented to the Committee were approved by all present. There being no further business to come before the Committee, the meeting adjourned at 11:07 A.M.

Anne L. Lanni, Executive Secretary