

STATE PROPERTIES COMMITTEE

Tuesday; April 25, 2006

The meeting of the State Properties Committee was called to order at 10:09 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, John P. Ryan, Kevin Nelson, Am Lisnoff and William H. Ferguson from the Rhode Island Department of Administration; Attorney Deborah Buffi Daniel Evangelista from the Rhode Island Department of Human Services; Robert Kanda and Robert E. Apoza from the Board of Elections; Attorney Deborah Clarke from Mental Health, Retardation and Hospitals; Attorney Gail Theriault, Attorney Mary Ellen McQueeney-Lally and Richard Fitzgerald from the Department of Labor and Training; Stephen P. McAllister from the Board of Governors for Higher Education; Valeria J. Bianco, Robert B. Jackson, Paul Carcieri, Eva Bernardo, John Glynn William McCarthy and Anthony DeQuattro from the Rhode Island Department of Transportation, Barbara Sokoloff of Barbara Sokoloff Associates and Joseph Dias from the Department of Environmental Management.

A motion was made to approve the minutes from the State Properties Committee Meeting of April 11, 2006, by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

I. New Business - Miscellaneous - The next meeting of the State Properties Committee is scheduled to be held on Tuesday, May 9, 2006.

2. Old Business- A request was made for signatures on the Grant of Easement to Narragansett Electric A National Grid Company. Said request was for a title change only as the terms of the Grant of Easement had not been modified in anyway. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

-ITEM A -Department of Administration - A request was made for conceptual approval to build affordable housing for homeless and/or disabled veterans and their families on property located at the Veteran's Horne in the Town of Bristol. Arn Lisnoff explained that Operation Stand Down, an organization with a proven track record for developing and operating housing for homeless and disabled veterans, approached the Department of Administration and the Department of Health and Human Services to discuss the possibility of utilizing property located at the Veteran's Horne in the Town of Bristol to build affordable housing for homeless and/or disabled veterans and their families. The subject property is one which would have the least impact on future plans for expansion or renovation of the Veteran's Horne. Operation Stand Down proposed the development of duplex housing for ten (10) homeless and/or disabled veterans and their families. The housing will consist of five two-family units, four of which will be located on Anawamscutt Road and the fifth would require the complete renovation of the former Surgeon's house which has been abandoned or more than a decade. Mr. Lisnoff indicated that the development of said housing would be subject to the following terms and conditions: (1) The mechanism for making the property available to Operation Stand Down is compliant with the Federal Housing and Urban Development and Rhode Island Housing and Mortgage Finance Corporation requirements for of this project; (2) That a

reversion clause exist in any transfer of lease document in which the State becomes the sole owner of the property should any or all of the facility cease to be used for homeless and/or disabled veterans and their families for any significant period of time; (3) That the prospective owner/lease holder conduct a survey of the property and that the property intended for transfer is approved by the Department of Administration and the Department of Human Services; and (4) That all local approval and zoning are in place prior to transfer. The Committee Members were given a map, which illustrated the subject property and surrounding areas. Mr. Evangelista reminded the Committee that there is currently a legislative commission studying the feasibility of a new Veteran's Home. A report of the commission's findings will be complete in January of 2008. Mr. DeQuattro expressed the great need for housing for disabled and/or homeless veterans with families. He indicated that he is aware of veterans and their families who are presently sleeping in the streets to avoid being divided at area shelters. Mr. DeQuattro stated that the subject property is an ideal location for this project. Mr. DeQuattro indicated that there is a possibility that the renovation of the Surgeon's house may not be included under the grant, which Operation Stand Down is seeking through the Department of Housing and Urban Development ("HUD"). However, it will seek a grant for the per diem for that particular building as it is in great need of renovation. Mr. DeQuattro reiterated that Operation Stand Down has a phenomenal track record for serving the needs of disabled and homeless veterans. The organization presently has ten (10) housing units in Johnston; which have been in operation for eight (8) years and ten (10) housing units on Providence Street in West Warwick. It is building a rehabilitation center, which will provide educational services allowing the veterans to obtain their

General Educational Development ("GED"), earn college credits and obtain computer technology training. Mr. DeQuattro explained that it is not enough to simply provide housing for these veterans. They are in need of training to assist them in, once again, becoming productive members of society. Mr. DeQuattro stated the problems facing veterans would only get worse. He explained these individuals often suffer from severe psychological trauma as a result of their experiences during combat and to expect them to return to civilian life without assistance is unreasonable. The proposed housing will have staff on site twenty-four (24) hours per day to ensure the residents follow through with necessary medical and psychiatric treatment, attend educational programs and maintain employment schedules. Chairman Williams commented that he had attended a series of meetings with Governor Carcieri addressing these issues and agreed that this is a very worthwhile project. Chairman Williams asked if Operation Stand Down is seeking a long-term lease. Mr. DeQuattro indicated that he had spoken with Representative Carter and learned that he is currently initiating legislation to obtain a long-term lease, as the present laws only allow a lease period of twenty (20) years. Chairman Williams concurred that a longer lease would be necessary. Mr. DeQuattro indicated that a fifty (50) years lease is needed. Chairman Williams asked if the Department of Human Services fully supports the plan presently before the Committee. Attorney Deborah Buffi stated that she had spoken to Director Lebel who indicated he is in agreement with the proposed plan, however, wished to register concern that without complete title searches being conducted, whether the Veterans' Home will have the ability to continue its usual operation regardless of easements or anything of that nature. Director Lebel's concern was noted by the Committee Members. Chairman Williams asked whether there had

been any discussion with the Town of Bristol as of yet. Mr. DeQuattro stated that the Town of Bristol was on board and very pleased with the proposed plan as it assists the Town of Bristol with its affordable housing needs. Mr. Griffith indicated that, although the State Properties Committee is not the forum to resolve affordable housing issues, he is concerned that a state and federally funded project, for a specific population, ought not to be counted as the Town meeting all of, or a portion of, its affordable housing requirements. Mr. Griffith suggested that perhaps some discussion should be taken up with the Housing Commission and some coordination done with the Housing Commission on that point. Mr. Griffith further stated that the affordable housing issue does not interfere with his support for this very worthwhile project. Mr. Griffith asked whether the residents have access to the medical services at the Veterans home. Mr. DeQuattro stated that the residents will not have access to services provided by the Veterans Home. A resident would only be entitled to services provided by the Veterans Home if they become permanently disabled and required intensive nursing care. However, in such a case, the individual would have to follow the usual process of submitting an application to be accepted into the home. Mr. Griffith asked if there would be a separate means of transportation for the residents of these housing units. Mr. DeQuattro stated that there is separate transportation for the residents. Mr. Griffith inquired whether Operation Stand Down is a separate stand alone organization which provides services for veterans. Mr. DeQuattro stated that Operation Stand Down is a stand alone organization. Mr. Griffith asked how it was funded. Mr. DeQuattro indicated that it is funded through private donations and grants and the housing is financed through HUD. Mr. Griffith asked if the finances associated with this project

would go directly to the operational accounts of Operation Stand Down. Mr. DeQuattro indicated that said financing would be strictly for building purposes. Barbara Skokoloff stated that under this program, HUD requires a separate owner corporation to be created. Thus, Operation Stand Down will create a separate corporation and the rental subsidies will go directly to that owner corporation, which will be managed by Operation Stand Down. Mr. Griffith inquired whether these funds provide for operation and/or management expenses. Ms. Sokoloff stated that the funds are divided into two separate parts. There are capital funds, which will pay for construction and for the rehabilitation of the Surgeon's house. There is also a rental assistance contract, which provides a subsidy for the operating of the units. Mr. Kay asked if there are any time limits imposed upon the residents to obtain housing of their own. Mr. DeQuattro indicated that as this housing is permanent and not transitional, there are no such time limits. Ms. Allaire Johnson asked whether Operation Stand Down is a non-profit 501(c)(3) organization. Mr. DeQuattro stated that Operation Stand Down is a non-profit 501(c)(3) organization. Ms. Allaire Johnson asked how long the units in Johnston and in West Warwick have been in operation. Mr. DeQuattro indicated that the housing units in Johnston have been in operation for eight years and the housing units in West Warwick have been in operation for two (2) years. Ms. Allaire Johnson asked if Operation Stand Down will be responsible for the property management aspect of the project. Mr. DeQuattro stated that Operation Stand Down will be responsible for the development of the project. Ms. Allaire Johnson inquired whether additional staff would be hired to operate the additional units. Mr. DeQuattro indicated that the hiring of additional staff would be necessary. Ms. Allaire Johnson asked if Rhode Island Housing is involved in the financing of this

project. Ms. Sokoloff indicated that Rhode Island Housing will be involved, as the HUD funds alone are insufficient for the total rehabilitation of the property. HUD grants usually provide \$1,500,000.00 in funding. Therefore, if there is additional funding needed, as is the case with many of these projects, Rhode Island Housing comes in as a partner. As Ms. Sokoloff identified herself as a consultant, Ms. Allaire Johnson asked if she was from a particular firm. Ms. Sokoloff stated that she is a consultant for Barbara Sokoloff Associates, which has been involved with the planning and development of over a hundred million dollars of affordable housing and numerous affordable housing and revitalization plans inclusive of the Bristol Affordable Housing Plan. She explained that this site was located for affordable housing and is part of the Bristol Affordable Housing Plan. Mr. Griffith asked what percentage of the disabled and/or homeless veteran population is not receiving services such as those offered by Operation Stand Down. Mr. DeQuattro indicated that approximately 2,500 veterans and approximately 200 to 300 families were without necessary housing and/or services. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson. Chairman Williams suggested that when the Department of Administration returns to the State Properties Committee for final approval, it have a financing plan to provide to the Committee Members.

Passed Unanimously

ITEM B -Department of Administration - A request was made for approval to terminate the Parking Agreement between the Department of Administration and One State Street, D.L. Saunders Companies, and to surplus thirteen (13) of thirty parking spaces with the intention of selling them to the owner of One State Street. Mr. Ferguson furnished the Committee Members with a two-page draft agreement. He explained that

the purpose of this agreement is to agree to terminate an existing agreement. Since 1993; The Department of Administration has had an agreement leasing thirty (30) parking spaces to Boston Investment Property. Boston Investment Property is interested in purchasing thirteen (13) of those thirty (30) leased spaces, which are located directly north of its property. The remaining seventeen (17) spaces are located in the Department of Administration's parking lot. Those seventeen (17) spaces are very valuable to the Department of Administration as parking is very limited at this building. This agreement would enable the Department of Administration to reclaim and utilize those seventeen (17) spaces effective May 31, 2006. The agreement would also set up a procedure whereby the Department of Administration could sell the thirteen (13) spaces for sale at market value to Boston Investment Property. Under the existing agreement, Boston Investment Property leases the thirty (30) parking spaces at a rate of \$35.00 per space, per month. The agreement before the Committee today would provide compensation for the thirty (30) parking spaces at fair market value retroactive to January 31, 2006. Mr. Ferguson indicated that the new agreement before the Committee is nearly one hundred (100%) percent complete. However, one revision had been made to the agreement at paragraph four (4) wherein the Department of Administration inserted a termination date of December 1, 2006, relative to the thirteen (13) spaces. Mr. Ferguson does not foresee a problem with the aforementioned revision, as Boston Investment Property is eager to effectuate this agreement as soon as possible. Chairman Williams indicated that the termination of our present agreement with the Boston Investment Property has been a long time in coming. When the agreement was first brought to the attention of the State Properties Committee, it was dissected and the Department of Administration realized

that it could require fair market value rent for all of the parking spaces being leased to Boston Investment Property. Boston Investment Property's attorney indicated that his client is interested in the termination of the present lease agreement and the subsequent sale of the thirteen (13) parking spaces located near its property. Mr. Ferguson indicated the (13) parking spaces consist of land owned by the old PBA, which means that the land was probably transferred to Rhode Island Refunding Bond Authority. The Department of Administration will need to make sure that there is nothing regarding the sale of those thirteen (13) parking spaces that would be problematic relative to the Refunding Bond Authority. Chairman Williams indicated that he did not anticipate any problems because this is a very diminutive piece of property. Chairman Williams stated that the termination of the current agreement would be beneficial to the Department of Administration as the revised agreement would ensure that it receives market value for the parking spaces retroactive to January 2006, as well as allowing it to reclaim the seventeen (17) parking spaces as of May 31, 2006. Mr. Kay asked if the rate of \$135.00 per month is the fair market rate. Mr. Ferguson indicated that \$135.00 per month is the amount the Convention Center charges for the rental of parking spaces in its garage. Chairman Williams stated that various area rates had been considered when determining the rate of \$135.00. Ms. Allaire Johnson asked whether the rationale behind selling these parking spaces is to compel Boston Investment Property to terminate the current agreement so that the Department of Administration can reclaim the seventeen (17) parking spaces needed at the Department of Administration Building. Chairman Williams explained that if Boston Investment Property is willing to forgo those seventeen (17) parking spaces which is step one (1) in this process. Step number two (2) is to then

go through the process relating to the sale of the thirteen (13) spaces including approval of the Refunding Bond Authority. Then the Department of Administration will need to offer the property to the City of Providence pursuant to the statute. Upon completion, Mr. Ferguson can return to the State Properties Committee with a final purchase and sale agreement within sixty (60) to ninety (90) days. The Department of Administration has divided the process into two (2) sections because it would like to have access to those seventeen (17) spaces as soon as possible. Ms. Allaire Johnson asked why the Department of Administration would want to sell those thirteen (13) parking spaces. Mr. Ferguson indicated that the thirteen (13) parking spaces are not practical for use by the Department of Administration, as they...are not easily accessible from the building. A motion was made to improve by Robert Griffith and seconded by Robert - Before taking a vote, Chairman Williams wanted to make sure that Boston Investment Property agrees that although it is hiring an appraiser, that the Department of Administration will require a review appraiser of its own, at its own costs, to ensure that it receives fair market value for the property. Chairman Williams suggested the stipulation be added to the motion to approve. Ms. Allaire Johnson indicated that the Department of Administration must obtain background information concerning Boston Investment Property when this item comes back before the Committee for final approval. Mr. Ferguson indicated that Boston Investment Property is anxious to dispose of the seventeen (17) parking spaces. It is requesting that a termination notice be forwarded to it forthwith. Mr. Ferguson asked if there is any reason the Department of Administration cannot grant that request. Mr. Griffith asked if there was a termination clause in the current lease. Mr. Ferguson stated that there is no termination clause in the current lease,

but there is a termination clause in the new agreement before the Committee. Chairman Williams stated that if the new agreement was approved by the Committee, it would allow the Department of Administration to send a termination notice to Boston Investment Property immediately. Chairman Williams stated that it would be beneficial to send the termination notice so that the Department of Administration can reclaim the seventeen (17) parking spaces and if, for some reason, Boston Investment Property does not purchase the thirteen (13) spaces, the Department of Administration retains ownership of those thirteen (13) spaces and receives market value rent until the termination of the agreement on December 31, 2006. Mr. Griffith amended the motion to approve to include a review appraiser as part of the agreement and said motion was seconded by Robert Kay.

Passed Unanimously

A separate motion to authorize the Facilities Division of the Department of Administration to issue a termination notice to Boston Investment Property, at the request of Boston Investment Property, and said termination shall be effective as of May 31, 2006, was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM C - Department of Mental Health, Retardation and Hospitals - A request was made for final approval for a perpetual drainage easement, and right of way, over and across realty located at 162 Ethier Way, Cumberland, Rhode Island. Attorney Deborah Clarke explained that the Department of Mental Health, Retardation and Hospitals owns property located at 162 Ethier Way in Cumberland. The property is utilized as a group home for adults with developmental disabilities. The group home is

operated by the Blackstone Valley Association for Retarded Citizens. The Town of Cumberland has asked the Department of Mental Health, Retardation and Hospitals for an easement through that property for purposes of installing and maintaining a drain pipe. The request has been reviewed and approved by Hugh Friel of the Division of Facilities and Maintenance. The Department of Administration has no objection to the granting of said easement as it does not interfere with the property. Chairman Williams clarified that the price of this easement was \$1.00. Ms. Allaire Johnson indicated that there is a typographical error in the final document. The document refers to the lessee of the property as Blackstone Valley Retired Citizens. The lessee is actually Blackstone Valley -Retarded-Citizens. Chairman Williams asked Attorney Clarke to provide the Committee with revised documents. Attorney Clarke asked if the revision could be handwritten. Ms. Allaire Johnson consented to a handwritten correction of the document. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM D -Department of Human Services -This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department Human Services:

ITEM E - Department of Human Services -A request was made for permission to facilitate and effectuate the transfer of three (3) parcels of land from the Department of Mental Health, Retardation and Hospitals and the Department of Transportation to the Rhode Island Department of Human Services Veterans' Cemetery. Attorney Buffi explained that in the early 1990(s) there was an agreement between Governor Sundlun and the Department of Mental Health, Retardation and Hospital, the Department of

Human Services and possibly the Department of Transportation to transfer approximately sixty (60) to seventy (70) acres of land for use by the Veterans' Cemetery. The land consisted of approximately three (3) acres of property across the street from the entrance of the Veterans' Cemetery, another forty-five (45) to fifty (50) acres located in the back of the Veterans' Cemetery and an additional fourteen (14) acres which run along the side of the Veterans' Cemetery. This transfer of land did not occur. Attorney Buffi explained that documents were prepared; however, the land was never transferred. In the late 1990(s), there were renegotiations for the transfer of land which the Department of Human Services would receive for the benefit of the Veterans' Cemetery. Once again, the transfer of land did not occur. Recently, there has been renewed interest in transferring land to the Veterans' Cemetery. The Department of Transportation is working diligently to survey the subject parcels, and the legal descriptions of the parcels will soon be complete. Attorney Buffi indicated that a Certificate of Transfer will be executed by Governor Carcieri upon approval by the State Properties Committee. Mr. McCarthy stated that the Department of Transportation represents a very small piece of property of approximately three (3) acres across from the Veterans' Cemetery. In 2002, a former Department of Transportation employee, who assumed this property was controlled by the Department of Transportation, began the process to attempt to declare it surplus and available for sale. The applicant withdrew its interest in the parcel because of a zone change. At that time, Kevin Nelson of State Wide Planning recommended that the property be preserved as open space, which is exactly the plan the Department of Transportation has in place. Director Capaldi endorses this plan to transfer this small parcel of land to the Veterans' Cemetery. However, after a thorough investigation, the

Department of Transportation cannot find any evidence that it did acquire said land from the Ladd School. The Department dissected a larger track of land, cutting off a 3 acre site, but it does not appear that the Department of Transportation ever returned to acquire the remainder of that small track of land by deed. Mr. McCarthy indicated that Attorney Michael Mitchell of the Department of Transportation's Legal Office is currently researching any available information. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson. Chairman Williams suggested that the Exeter Town Council President be contacted and advised of the Department of Human Services' plans.

Passed Unanimously

ITEM F -Board of Elections -A request was made for final approval of an agreement and signatures on the Lease Agreement by and between the West River Commerce Center, LLC and the Rhode Island Board of Elections. Ms. McCarthy-Tuohy explained that the Lease Agreement was modeled after the Master Lease. The Lease Agreement has been reviewed by the Department of Attorney General. Ms. McCarthy stated that Genevieve Allaire Johnson had a question regarding the Insurance Certificate which is now on file at the State Properties Committee. The Insurance Certificate was provided to Ms. Allaire Johnson for her review and approval. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM G -Department of Labor and Training – A request was made for approval of and signatures on a Memorandum of Understanding which sets forth the terms for the Farmers' Market to be held on the Pastore Campus beginning July 2006, and ending

October 2006. Chairman Williams asked where on the Pastore Campus the Farmers' Market would be held. Mr. Fitzgerald indicated the site was at the center of the Pastore Campus. Ms. Allaire Johnson asked who from the Department of Environmental Management is handling the Farmers' Market project. Mr. Fitzgerald indicated that Peter Susi and Stephen Volpe were involved in this project. Attorney McQueeney-Lally stated that this Farmers' Market would be very much like the Fariners' Market which was held on the grounds of the Department of Administration Building last year. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM H -Department of Labor and Training -A request was made for approval of and signatures on JL Lease Agreement between the Department of Labor and Training and Pawtucket Redevelopment Agency for office space located at 175 Main Street, Pawtucket, Rhode Island. Mr. Ryan stated that this item is a lease renewal with a term of five (5) years. The premises consist of 19,000 square feet and the annual rent will be \$312,170.00, which equate to \$16.43 per square foot. Included in the annual rent is thirty-three (33) parking spaces, three (3) of which are handicap spaces, water, sewer, heat and air conditioning, snow and ice removal, fire and sprinkler system maintenance, building maintenance, trash and rubbish removal and security. Also encompassed in this lease renewal is renovation work to the premises, which will be completed by Pawtucket Redevelopment Agency. Said renovations include removal and disposal of the existing carpet, installation of a new carpet. The entire premises will also be repainted, the ventilation ducts will be thoroughly cleaned and automatic door openers will be installed on the first floor entrance door and on the door leading to the elevator lobby.

Pawtucket Redevelopment Agency has also made minor fire code upgrades based upon the Fire Marshall's inspection of the premises. Mr. Kay asked if there are any other tenants in the facility. Mr. Ryan indicated that the Pawtucket Redevelopment Agency's office is in the building and this has been beneficial to the tenant/landlord relationship. Chairman Williams asked the amount of the current rent. Ms. Theriault stated the current rent is \$15.30 per square foot. Ms. Allaire Johnson clarified that this item is an amendment to the existing Lease. A motion was made to approve by Robert Griffith and seconded by Genevieve Allaire Johnson.

Passed Unanimously

ITEM I - Board of Governors - A request for approval of and signatures on Parking Agreements between the Board of Governors and the Convention Center Authority and Intown Parking. Mr. McAllister stated that the handicap spaces are located in the Intown Parking lot, which is located next to the Shepard Building. The spaces in the Convention Center are for the faculty, the staff and University of Rhode Island students who attend the facility during the day and in the evening and for the Community College of Rhode Island students who attend class primarily during the daytime. The Board of Governors inherited this arrangement from the Department of Administration. When the Providence Place Mall was built and the educational programs moved to the Shepard Building, an arrangement existed whereby the Department of Administration paid a certain amount of rent to the Convention Center Authority for parking. Last year the legislature transferred the appropriation from the Department of Administration to the Board of Governors. Since the Board of Governors receives the appropriation on an annual basis, the Parking Agreement is established for a period of one (1) year.

Chairman Williams stated that when the land was set up for the mall, the agreement with the Shepard Building included the Department of Administration. However, it was determined that any appropriation for an educational institution should be the responsibility of the Board of Governors not the Department of Administration. That is why the appropriation was transferred to the Board of Governors. Chairman Williams asked if it was just the ratification of those agreements before the State Properties Committee. Mr. McAllister stated that was correct. Ms. Allaire Johnson stated that there are not actual agreements which she is able to review, but rather this is more a budget item. Chairman Williams explained that it was a matter of obtaining approval through the State Properties Committee to keep it moving as part of a purchase order. A motion was made to approve by Ms. Allaire Johnson and seconded by Mr. Kay.

Passed Unanimously

ITEM J- Board of Governors - A request was made for approval to proceed with the execution of a Purchase and Sale Agreement to purchase the Theta Delta Chi Fraternity building located at 22 East Alumni Avenue on the Kingston Campus. Mr. McAllister explained that the arrangement has been that the University of Rhode Island owns the land and the fraternities lease the space and actually own the buildings. What the Board of Governors is attempting to do through this Purchase and Sale Agreement is purchase the building itself. The building will be demolished in order to build an addition on an adjacent building. The Board of Governors has approved the Kushner requirements relating to this project and they are now seeking the State Properties Committee's approval. Mr. Kay asked if the University of Rhode Island has insurance on the existing buildings. Mr. McAllister indicated that the Lease Agreement requires the

fraternities to have insurance. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson. Chairman Williams asked if the Board of Governors would have original documents for the Committee to execute. Mr. McAllister stated that the Board will provide a Purchase and Sale Agreement for execution by the Members of the State Properties Committee.

Passed Unanimously

ITEM K -Department of Environmental Management - This item was deflected to a future State Properties Committee Meeting at the request of the Rhode Island Department of Environmental Management.

ITEM L -Department of Environmental Management - This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department of Environmental Management.

ITEM M -Department of Environmental Management - This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department of Environmental Management.

ITEM N -Department of Environmental Management - This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department of Environmental Management.

ITEM O -Department of Environmental Management - This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department of Environmental Management. _ _

ITEM P -Department of Environmental Management - A request was made for approval of and signatures on a Conservation Easement between the State of Rhode

Island and Tiverton Land Trust. Mr. Dias explained that the Department of Environmental Management is seeking approval of a conservation easement for forty-eight (48) acres of land located in the center of (what is known as the Eight Rod Road Greenway). The funding for this project was a grant, awarded by the Rhode Island Greenway Council in 2003, to protect open space properties in established greenways across the State of Rhode Island. The property was consequently designated as a Forest Service area so there are Forest Legacy Grants involved for other pieces of property in the area. This particular piece of property will be the matching share to free up \$750,000 to \$800,000 of United States Forest Legacy funds for other easements within the corridor. Mr. Dias stated that the property was appraised at a value of \$350,000.00 and the Department of Environmental Management will contribute \$175,000.06 toward the price of the easement. Mr. Griffith asked if the United States Forest Service and the Department of Environmental Management will have direct administration over the combined parcels when the entire project is completed. Mr. Dias indicated the Tiverton Land Trust will manage the entire parcel and the Department of Environmental Management's only administrative duty was to approve the management plans for each of the properties. Mr. Dias indicated any revision to the management plans will need the joint approval of the Department of Environmental Management and the Forest Service. Ms. Allaire Johnson commented that although the language contained in conservation easements is usually standard, she does need to review the documents before they are presented to the State Properties Committee to avoid a delay in the Committee's ability to grant approval. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM Q -Department of Transportation - This item was deferred to the State Properties Committee Meeting to a future State Properties Committee Meeting at the request of the Rhode Island Department of Transportation.

ITEM R - Department of Transportation - A request was made for approval of and signatures on a Quit Claim Deed conveying 9,606 square feet of property located at Be C Ayenue, New Shoreham, Rhode Island gratis to the Town of New Shoreham. Mr. Carcieri explained that in December of 2005, the State Properties Committee approved the gratis transfer of this property to the Town of New Shoreham. The Town of New Shoreham represented to the Department of Transportation that the property was vital to its municipal water supply as there is a Town well on site. The Town of New Shoreham has also expressed interest in utilizing a shed, which was built by the Department of Transportation on the property. The Department of Transportation has no future use for the property or need for the shed. The Department of Transportation is willing to convey the property to the Town of New Shoreham gratis for this municipal purpose. Mr. Carcieri explained that the property was acquired by deed and there are no former owner interest rights. The Town of New Shoreham has the preemptive right to the property under the governing statute. Chairman Williams asked why this is a gratis transfer. Mr. Carcieri indicated that this particular gratis transfer preceded the current Department of Transportation Administration and the commitment had been made to transfer the property gratis to the Town of New Shoreham. The Department of Transportation believes it was incumbent to honor that commitment. The acquisition price of the property was very modest as it was acquired in the 1930(s) or 1940(s). Mr. Carcieri

indicated the Department of Transportation is being cautious with regard to gratis requests. Chairman Williams asked for what purpose the Town would utilize the shed. Mr. Cacrieri stated that the Town would utilize the shed for storage. Chairman Williams indicated that there is a need for the State of Rhode Island to be equitable and fair to all municipalities with regard to gratis transfers. Mr. Carcieri indicated that the Department of Transportation is minimizing the amount of gratis transfers _except in cases where_ compelling circumstances exist. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM 5 -Department of Transportation - A request was made for approval of and signatures on a License Agreement between Cumberland Farms, Inc. and the Department of Transportation for 784 square feet of land located at 1600J606 Nooseneck Hill Road, Coventry, Rhode Island for a gas pump bypass lane on the licensed premises. Mr. Carcieri explained that the Department of Transportation was approached by Cumberland Farms' legal counsel who represented that his client was renovating a gas station on Nooseneck Hill Road in Coventry. The renovation involved the use of approximately 780 square feet of Department of Transportation controlled property. The property is a very narrow strip of land immediately below a drive-up lane to the fuel pumps on site. The Department of Transportation has agreed to license the property as it is necessary to approach the fuel pumps. The License Agreement is a five (5) year agreement and charges the minimum cost recovery rate of \$600.00 per year as the property's size and topography does not justify a higher rate. Mr. Carcieri provided Ms.

Allaire Johnson with the Insurance Certificates for her review and approval. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM T- Department of Transportation - A request was made for revised conceptual approval to sell approximately 9,105 square feet of land for surface parking with the stipulation that any trees or shrubs that may be destroyed will be replaced in-kind, and a green buffer will remain along the Airport Connector Ramp. Mr. Glynn explained the subject property is located on Jefferson Boulevard at the intersection of the off ramp of the airport connector. Chairman Williams indicated that this request has previously been before the State Properties Committee. Mr. Glynn stated that this request is for revised conceptual approval as the lot area has been reduced to conform to setback requirements in order to avoid any potential abutter issues. The Department of Transportation received an offer from the proposed purchaser for \$81,945.00 for 9,105 square feet of land. Chairman Williams asked whether the Department of Transportation has had the land appraised. Mr. Glynn indicated that the appraisal valued the land at \$12.00 per square foot and the present offer equates to \$9.00 per square foot. The Department of Transportation has previously negotiated a purchase price with the applicant, Carpionato Corporation, which owns the abutting hotel. Carpionato Corporation's appraisal valued the land at \$7.00 per square foot. The Department of Transportation informed Carpionato Corporation that the purchase price for the property is \$12.00 per square foot, however, Carpionato Corporation indicated its offer of \$9.00 per square foot is a firm offer. Mr. Glynn explained that Carpionato Corporation is the only abutter and the property would become landlocked if purchased by anyone else.

Chairman Williams indicated that as an internal appraisal determined the value of the land to be \$12.00 per square foot, it would be very difficult for the State Properties Committee to grant final approval to sell the land for \$9.00 per square foot. Chairman Williams stated he would prefer the land remain vacant if the alternative is to sell it for less than market value. Mr. Griffith agreed the land should remain vacant if it is not purchased for market value. Mr. Griffith further indicated he would move for approval, on a conceptual basis, with the clear understanding that the guidance the Committee has provided be communicated to the applicant. A motion was made to approve subject to the guidance and advice of the Committee by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM U- Department of Transportation: A request was made for approval of and signatures on a Renewed License Agreement for Old Mountain Lanes Inc. d/b/a Old Mountain Lanes for approximately 1,368 square feet of State property located at 756 Kingstown Road (Route 108) in South Kingstown, Rhode Island to be utilized for surface parking. Mr. Glynn stated the License Agreement is for a period of five (5) years and the rent amount is \$957.60 per year based upon the Department of Transportation's valuation of \$7.00 per square foot. Mr. Griffith clarified that this request is for the renewal of the License Agreement. Mr. Griffith inquired as to the amount of rent previously paid. Mr. Glynn stated that the rent was \$60.00 per month for a larger piece of land, but Old Mountain Lanes has now reduced the area land being licensed. Mr. Griffith asked if the Lease Agreement contained an escalator clause. Mr. Glynn indicated there is no escalator clause, however, the Lease Agreement provides for a review of the terms of the

agreement after a period of three (3) years. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM V -Department of Transportation - A request was made for conceptual approval to convey 4.6 acres of property located at the intersection of Route 7 and Route 116 in Smithfield, Rhode Island. Mr. Carcieri explained that the subject property is the current site of the State of Rhode Island's salt storage facility. The Department of Transportation intends to take down the old salt storage facility and relocate it to National Guard property located further east on Route 116. The Department of Transportation is currently involved in negotiations with the National Guard regarding a series of land transfers and value offset. It is the Department of Transportation's intention to combine the relocation of the salt storage facility onto National Guard property and the National Guard's receipt of Department of Transportation controlled property in Quonset into one equation. This process begins with the sale of the subject property. The Department of Transportation hopes to use the proceeds from the sale of this property to construct a new salt storage facility to be located further east on Route 116. Chairman Williams stated that he is familiar with the property and believes the property is very valuable. Chairman Williams asked if the property will go out to public bid. Mr. Carcieri indicated that there is only one abutting property and the entity that owns that land is contemplating its commercial and corporate development. The Department of Transportation will determine whether it would be in the best interest of the State of Rhode Island to sell it to the abutting landowner or to sell it as a stand-alone property. Mr. Carcieri indicated that the Department of Transportation does not want any further access to this property from

Route 116 whether it is sold to the abutting landowner or as a stand-alone parcel. However, the property does enjoy access from Route 7 as a stand-alone parcel. The Department of Transportation has not determined a value amount for the property but will fully disclose that amount to the State Properties Committee as soon as the information becomes available. Mr. Griffith noted from the aerial photograph of the land that there is access to Route 116, but it appears there must be some sought of easement. Mr. Carcieri indicated there is an easement. The Department of Transportation is honoring a physical alteration permit and a prior right to cross and re-cross to the abutting landowner. Mr. Griffith expressed concern that there may be some soil contamination issues involved as a result of the salt storage facility. Mr. Carcieri stated that soil contamination issues are anticipated. The Department of Transportation will make a full disclosure to any potential buyer that there may be Department of Environmental Management issues; however, the investigation and compliance issues will be the responsibility of the buyer. Mr. Griffith commented that these possible contaminants could effect the market value of the property. Chairman Williams indicated that when this item comes back to the State Properties Committee, he would like the Department of Transportation to explain how they plan to market this very attractive property to ensure the State of Rhode Island receives the best value for the land. Chairman Williams stated that when the Department of Transportation has the appraisal amount and comes back before the State Properties Committee that he would prefer to discuss this item in Executive Session. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM W- Department of Transportation - A request was made for approval of and signatures on a License Agreement between the Department of Transportation and Folgo Realty, LLC for 1,600± square feet of property located at 334 Providence Street, West Warwick, Rhode Island. At the State Properties Meeting of April 11, 2006, Ms. Bianco presented this item for approval. After review of all the information provided by Ms. Bianco the Committee voted to table this item to the next meeting of the State Properties Committee to give Ms. Bianco time to investigate the details of the appraisal of the property, to determine *how* long a fence has been on the State of Rhode Island's land and to establish whether the light towers are erected on state property so that the State Properties Committee can determine an appropriate compensation value to the State of Rhode Island. Ms. Bianco was back before the State Properties Committee to share her findings with the Committee. Ms. Bianco explained that she had asked Attorney Igliazzi, legal counsel for Folgo Realty, LLC, to provide proof as to when the fence in question was erected on the property. Attorney Igliazzi submitted a letter to the Department of Transportation, which stated that the fence was on the property when Folgo Realty, LLC received title to the land. Ms. Bianco explained that her research revealed that on May 15, 1997, the fence was not on the property. At some point during the next year and four months the fence was erected. Ms. Bianco inspected the permit applications at the Town of West Warwick Building and Zoning Department and her search revealed no permit application for the fence. Chairman Williams clarified that Folgo Realty is asserting that the fence was on the property at the time it purchased the property. Ms. Bianco stated that was correct. Chairman Williams assumed that when Folgo Realty, LLC purchased the property, a title search was done. Ms. Bianco stated

that Folgo Realty, LLC's attorney represented that a title search was done, but that said title search did not reveal when the fence was erected. Mr. Griffith stated that the title search should have revealed that the fence was encroaching on State property and that the other improvements, which were made, specifically, the light towers, were also encroaching on State property: Chairman Williams expressed concern that when the title search was conducted, it must have revealed that the fence and the light towers were encroaching on State property, however, this fact was never disclosed to the State of Rhode Island until such time as the Department of Transportation received the license request. Ms. Bianco indicated that the Department of Transportation learned of the encroachment through the Auditing Department. Ms. Bianco reiterated that when the encroachment was brought to the attention of Attorney Igliozzi, he indicated that his client would purchase the property; however, the Department of Transportation was unable to sell the property as a result of the historic constraints regarding the Providence Fishkill Railroad. Therefore, in the alternative, the Department of Transportation, decided to license said property to Folgo Realty, LLC. Ms. Bianco further explained that in regard to the light towers her research revealed that they are partially on Folgo Realty, LLC's property and partially encroaching on State property. Once again, Attorney Igliozzi represented that the light towers were on the property when his client purchased the property. Ms. Bianco addressed the issue of the appraisal of the property. She stated that the subject property was appraised at a value of \$6,000.00 if the parcel could be sold. - Since the land is approved for licensing only, the appraiser concluded that a ten (10%) percent standard should be used. Thus, ten (10%) percent of the \$6,000.00 appraisal value is \$600.00 per year. Chairman Williams asked when Folgo Realty, LLC purchased

the property. Ms. Bianco stated the Folgo Realty, LLC took title of the property on September 3, 1998. Chairman Williams clarified that when it took title of the property the fence had already been erected. Therefore, Chairman Williams concluded that the License Agreement should be retroactive to 1998. The Committee Members agreed that the License Agreement should be retroactive to 1998 at a rate of \$600.00 per year for the encroachment on State property. Chairman Williams recommended that the Department of Transportation inform Foo Realty, LLC that the State Properties Committee will agree to license the property; however, the License Agreement will be retroactive to the date it took title of the property at a rate of \$600.00 per year. A motion was made to table by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM X- Department of Transportation - A request was made for approval of and signatures on an Easement Agreement between the Rhode Island Department of Transportation and the Narragansett Electric Company (National Grid) to provide underground electrical service to a pad-mounted transformer from proposed pole (P. 75-4) to be located on the westerly side of Cedar Swamp Road in the City of Warwick to State-owned property under lease to the Rhode Island Airport Corporation. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.

Passed Unanimously

ITEM Y -Department of Transportation - A request was made for approval of and signatures on an Easement Agreement between the Rhode Island Department of Transportation and the Narragansett Electric Company (National Grid) to provide underground electrical service to a pad-mounted transformer from proposed pole (P. 75-:

6) to be located on the southerly side of Cedar Swamp Road in the City of Warwick to State-owned property under lease to the Rhode Island Airport Corporation . A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson .

Passed Unanimously

ITEM Z - Department of Transportation - This item was deferred to a future State Properties Committee Meeting at the request of the Rhode Island Department of Transportation.

There being no further business to come before the State Properties Committee, the meeting was adjourned at 12:15 p.m. Mr. Griffith made a motion to adjourn, which was seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary