

## **STATE PROPERTIES COMMITTEE**

**Tuesday, September 26, 2006**

**The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Jerome F. Williams. Other members present were Mr. Robert Griffith representing the Rhode Island Department of Administration, Ms. Genevieve Allaire Johnson from the Rhode Island Department of Attorney General and Robert Kay, Public Member. Also in attendance were Paul Carcieri, John Glynn and Robert B. Jackson from the Rhode Island Department of Transportation; Kevin Nelson from the Rhode Island Department of Administration; J. Vernon Wyman from the University of Rhode Island; Lisa Primiano and Mary Kay from the Rhode Island Department of Environmental Management; Robert C. Bromley from the Senate Fiscal Office; Virginia Faria and Mary Ellen McQueeny-Lally from the Rhode Island Department of Labor and Training; and Kelly Coates from the Carpionato Corporation.**

**The next meeting of the State Properties Committee is scheduled to be held on Tuesday, October 10, 2006.**

**It was brought to the attention of the State Property Committee that the general minutes of September 12, 2006, contained two (2) typographical errors on page eighteen (18). A motion was made to approve both the general minutes and the Executive Session minutes from the State Properties Committee meeting of September 12, 2006, subject to the typographical errors on page eighteen (18) being**

**corrected by Mr. Kay and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM A – University of Rhode Island – A request was made for permission to conduct appraisals in support of a land exchange proposal. Mr. Wyman explained that the University of Rhode Island acquired a parcel of land from the Town of South Kingstown in the 1970(s). The property is located at 130 Old North Road and is known as the Old North Road School site. The property consists of 1.3 acre of land and is somewhat isolated from the University’s campus. The property has direct access to the Town’s water and sewer service. However, the University of Rhode Island has no bona fide use for the land. Mr. Wyman went on to explain that the other property involved in the proposed land exchange is owned by Habitat for Humanity. The property consists of 9 acres of undeveloped land located immediately adjacent to land own by the University of Rhode Island. Five acres of the land is developable and four acres are affected by wetlands. Habitat for Humanity has explored the possibility of developing the property for multiple affordable housing units. However, as a result of a high water table, developing this property for multiple housing units does not seem probable. However, the University’s parcel of land shows promise for being subdivided and utilized for a number of affordable housing units for Habitat for Humanity. Mr. Wyman indicated that the University of Rhode Island is seeking approval to proceed with appraisals of both the properties to determine their fair market value. Once the appraisals have been**

accomplished, the University of Rhode Island can make an informed decision regarding whether to proceed with a recommendation for a land exchange. Chairman Williams asked if there are any deed restrictions on either of the properties and whether title searches will be done. Mr. Wyman indicated that title searches will be conducted.

**Mr. Wyman**

stated that he is not aware of any deed restrictions; however, at the time the University of Rhode Island acquired the school site, the anticipation was that there would be a continuation of educational use. Therefore, the University of Rhode Island may have to seek approvals from the Town of South Kingston in order to free itself from such a requirement. Mr. Wyman explained that as there is no longer a building on the site, obtaining such approvals should not be a challenge. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

**Passed Unanimously**

**ITEM B – Department of Transportation – A request was made for approval of and signatures on an Agreement to Purchase and a Quit Claim Deed conveying property located at 930 Oaklawn Avenue in the Town of Cranston to Brooklyn Heights Associates, LLC. Chairman Williams asked if there have been any changes since the State Properties Committee granted conceptual approval to convey the property.**

**Mr. Glynn indicated that there have been no changes. Chairman Williams asked why there is such a delay between conceptual approval and the final documents being presented to the State**

**Properties Committee. Mr. Glynn indicated that there was a considerable delay in the surveying of the land. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously ITEM C – Department of Transportation - A revised request was made for conceptual approval to convey 9,105± square feet of land located on Jefferson Boulevard at the Airport Connector off ramp in Warwick. Mr. Glynn explained that on April 25, 2006, the Department of Transportation appeared before the State Properties Committee seeking conceptual approval to convey the subject property to the Carpionato Corporation. At that time, the Department of Transportation indicated to the Committee that the appraised fair market value of the property was \$12.00 per square foot. The Carpionato Corporation made an offer of \$9.00 per square foot. The State Properties Committee denied the request and indicated that the Committee would prefer the land remain vacant if the alternative was to sell it for less than fair market value. The Committee recommended that the Department of Transportation continue to negotiate with the Carpionato Corporation. The Carpionato Corporation has now raised its offer to purchase the subject property to \$10.00 per square foot. Mr. Glynn reminded the State Properties Committee that the Carpionato Corporation is the only abutter and the property would become landlocked if purchased by anyone else. Mr. Coates of the Carpionato Corporation explained to the Committee that the subject property was appraised as if it were zoned and as if it had access. Mr. Coates stated that this property has neither. Mr. Coates indicated that the Department of**

Transportation's appraisal achieves the usual criteria of obtaining the highest fair market value for the State of Rhode Island, but it is not representative of the actual value of the property. Mr. Coates stated that the Carpionato Corporation also had the property appraised and it was valued at \$6.00 per square foot. Mr. Coates stated that the property would be utilized for parking and beautification. Chairman Williams asked Mr. Coates to clarify his statement that the property is not zoned. Mr. Coates indicated that the property is not zoned commercial; it is zoned open-space. Chairman Williams asked Mr. Glynn if the property was appraised as a commercial parcel of land or as open-space. Chairman Williams indicated that there is only a \$2.00 difference between the Department of Transportation's appraised value and the Carpionato Corporation's offer. Therefore, Chairman Williams would like to know how the property was appraised so the Committee can determine if it should reconsider its previous position relative to this property and its fair market value. Mr. Glynn was unable to locate the most recent appraisal so Chairman Williams suggested this item be tabled until later in the meeting to give Mr. Glynn the opportunity to locate the appraisal and determine the method used to arrive at the \$12.00 per square foot value. A motion to table this item until later in the meeting was made by Mr. Kay and seconded by Ms. Allaire Johnson.

**Passed Unanimously**

**ITEM D – Department of Labor and Training - A request was made for approval of and signatures on a License Agreement between the Department of Labor and Training and the Rotary Club of**

**Woonsocket for use of a parking lot owned by the Department of Labor and Training. Ms. Faria explained that the Rotary Club of Woonsocket has requested the use of the Department of Labor and Training's parking lot located at 219 Pond Street from Friday, October 6, 2006, after business hours, until Monday, October 9, 2006. Chairman Williams asked if the parking lot will be used for any purpose other than the parking of vehicles. Ms. Faria indicated the parking lot will be used for vehicle parking only. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM E – Department of Labor and Training – A request was made for approval of a revised Memorandum of Understanding for the Farmers' Market which is operating on the Pastore Campus in Cranston. Ms. McQueeney-Lally indicated that on April 25, 2006, the State Properties Committee executed a Memorandum of Understanding relative to the Farmers' Market operating at the Pastore Campus. Said Memorandum of Understanding requires that the farmers each have liability insurance coverage in the amount of \$1,000,000.00. Ms. McQueeney-Lally explained that the \$1,000,000.00 insurance requirement is keeping smaller farmers from participating in the market. Therefore a revised Memorandum of Understanding has been prepared, which eliminates the \$1,000,000.00 liability insurance coverage requirement. In accordance with the revised Memorandum of Understanding, the farmers are required to have insurance, which is applicable with the Rhode Island General Law (statutory coverage). Chairman Williams asked if the previous Memorandum of**

Understanding contained a provision requiring \$1,000,000.00 liability insurance coverage. Ms. McQueeney-Lally stated that the previous Memorandum of Understanding did contain a provision requiring \$1,000,000.00 liability insurance coverage. Chairman Williams asked by how much the required liability insurance coverage is being reduced. Ms. McQueeney-Lally indicated that she did not have that exact figure, but indicated that she would obtain that information. Mr. Kay commented that although he sympathizes with the smaller farmers, there should be a minimum amount of \$100,000.00 and \$300,000.00 of liability insurance coverage. Chairman Williams suggested that the Memorandum of Understanding could be approved subject to the statutory insurance requirement being at least \$100,000.00 and \$300,000.00, if not, the Department of Labor and Training will have to return to the State Properties Committee. Mr. Griffith stated that given the Committee's heightened sensitivity concerning product liability, he suggested the farmers examine their potential liability. Mr. Griffith indicated that since the Department of Environmental Management has assumed the responsibility of ensuring that the participating vendors maintain commercial liability insurance, perhaps the Department of Environmental Management should be educating the farmers as to what options are available to them in order to achieve the \$1,000,000.00 of liability insurance coverage. A motion was made to approve subject to the underlying liability insurance coverage being at least \$100,000.00 and \$300,000.00 under the comprehensive plan by Mr. Kay and seconded by Ms. Allaire Johnson.

## **Passed Unanimously**

**ITEM F – Department of Environmental Management – A request was made for an extension of time to submit comments to the State Properties Committee relative to 55 acres of surplus land located in the Town of Johnston, designated as Plat 1352, Parcels 7, 9 & 10. Ms. Primiano explained that the Department of Environmental Management is requesting an extension of three (3) months to allow the subcommittee of the Trails Advisory Committee to review the parcel of land for use as a motorized trail area.**

**Ms. Primiano provided a map of the subject property to the Committee for its review. Ms. Primiano explained that because of the property's location and size it may be suitable as a motorized trail site. Ms. Primiano stated that the acquisition of land for the purpose of motorized trails is a very controversial issue and will require many discussions with a myriad of people and organizations inclusive of neighbors and the Audobon Association. Ms. Primiano indicated that she is meeting with the owner of the abutting property; who is also the applicant that wishes to purchase the subject property. Chairman Williams asked how long of an extension the Department of Environmental Management is requesting. Ms. Primiano indicated a three (3) month extension is being requested. Mr. Griffith asked where the access to the property will be located. Ms. Primiano indicated that access to the property is another issue the subcommittee will have to address. Ms. Primiano stated that the Trail Advisory Committee has allocated \$400,000.00 to this project so there are funds available for land acquisition,**

easement acquisition and the like. Mr. Griffith commented that he agreed that this is a very controversial issue, however, he believes it is not inappropriate to explore the possibility of the subject property being utilized as a motorized trail area. Mr. Griffith believes this property is a viable alternative to people petitioning the Water Resources Board for use of the Big River Management Area for this purpose. Mr. Griffith asked if the subject property contained any wetlands. Mr. Nelson indicated the wetlands are very minimal. Ms. Primiano explained that the subcommittee is seeking property where recreational vehicles could operate legally. Mr. Nelson explained that after many years and many contentious battles, the Trail Advisory Committee is seeking a site that can be dedicated to motorized vehicle use exclusively. Mr. Nelson indicated that the subject property looks very promising as a potential motorized trail area. The property abuts a highway, there are no immediate residential neighbors and it is a large parcel of land. Chairman Williams suggested that the three (3) month extension be approved with the stipulation that the Trail Advisory Committee return to the State Properties Committee within two (2) months (2) to present a status report. A motion was made to approve subject to the Trail Advisory Committee providing the State Properties Committee with a status report within two (2) months by Mr. Griffith and seconded by Ms. Allaire Johnson.

**Passed Unanimously**

A motion was made to continue the presentation of Item C regarding the Department of Transportation revised request for conceptual

**approval to convey 9,105± square feet of land located on Jefferson Boulevard at the Airport Connector off ramp in Warwick by Mr. Griffith and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**ITEM C- The Department of Transportation – Mr. Glynn indicated that the property is zoned G1. Mr. Griffith asked if the appraisal that valued the property at \$12.00 per square foot was an internal appraisal. Mr. Glynn indicated that the appraisal was an internal appraisal. The date of the appraisal is June 14, 2005. Mr. Griffith asked if this appraisal determined the value of the property at \$12.00 per square foot. Chairman Williams asked if there was a range associated with the appraisal. Mr. Glynn indicated that there was no range associated with the appraisal. Chairman Williams asked if the appraisal was based upon comparable sales. Mr. Glynn stated that the appraisal was based on comparable sales together with consideration given to the intended use of the property. Mr. Griffith stated that the State Properties Committee's previous recommendation was that the Department of Transportation engaged in further negotiations with the Carpionato Corporation in an attempt to obtain the appraised value of the property. The Department of Transportation did engage in further negotiations with the Carpionato Corporation and the offer was increased to \$10.00 per square foot. Mr. Griffith indicated that given the circumstances associated with this acquisition, \$10.00 per square foot appears to be a fair and reasonable offer. A**

**motion was made to approve by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM G – The Department of Environmental Management – A request was made for approval of and signatures on a Lease for Rhode Island Department of Environmental Management to lease space with Quonset Development Corporation.**

**Ms. Kay explained that the Department of Environmental Management wishes to lease a portion of Bay E located at 190 Compas Circle in the Town of North Kingstown. Ms. Kay explained the facility that the Department of Environmental Management has utilized for storage space for the last decade is going to be demolished. Quonset Development Corporation has agreed to move the Department of Environmental Management to a similar storage facility, which consists of approximately 11,428 square feet of storage space. The monthly rental for this new storage space is \$1,095.18. Ms. Kay also indicated that a fence will be erected within the storage space at the expense of the Department of Environmental Management. The Agreement of Lease contains a provision which allows either party to terminate the lease upon sixty (60) days notice. However, due to the extenuating circumstances associated with this storage space the Quonset Development Corporation has agreed to**

revise the term of lease to a term of one (1) year, with two (2) one (1) year options. Chairman Williams reminded the Committee members that because this lease is for a term of less than five (5) years it does not require approval by the General Assembly. Ms. Allaire Johnson instructed Ms. Kay to have the revision of the Agreement of Lease initialed by a designee of the Quonset Development Corporation. Ms. Allaire Johnson informed the Committee that under this lease agreement, the holdover penalty fee is one hundred fifty (150%) percent. Chairman Williams questioned whether the Department of Environmental Management is comfortable with this provision and if it could vacate the premises in a timely manner if necessary. Ms. Kay indicated that the Department of Environmental Management is comfortable with the terms and conditions of the Agreement of Lease. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay. Ms. Kay respectfully requested that as agreed to by and between the parties Article 2.1 of the Agreement of Lease be eliminated by pen and ink instantly and that the Agreement of Lease be executed by the Committee members forthwith. A motion was made to amend the previous motion to reflect the revision made to Article 2.1 of the Agreement of Lease by Mr. Griffith and seconded by Mr. Kay. Chairman Williams amended Article 2.1 of the Agreement of Lease by eliminating the second sentence in its entirety.

**Passed Unanimously**

**ITEM H– DEPARTMENT OF ENVIRONMENTAL MANAGEMENT – This**

**item is deferred to a special meeting of the State Properties Committee at the request of**

**the Department of Environmental Management.**

**ITEM I – DEPARTMENT OF ADMINISTRATION – A request was made for**

**review and approval of the draft Annual Report of the State Properties Committee FY 2006. Chairman Williams stated the Annual Report of the State Properties Committee FY 2006 is due at the end of the month and that most of the components of the report have been copied and completed. Chairman Williams indicated he was in the process of preparing a cover letter for the report and would forward copies of the same to the Committee members for their review. Chairman Williams informed the Committee that Peter Dennehy was reviewing the Rules and Regulations of the State Properties Committee and will be working to standardize the documentation which is submitted to the State Properties Committee. Chairman Williams indicated that any and all suggestions and opinions of the members would be more than welcome. A motion was made to approve the Annual Report State Properties Committee FY 2006 by Mr. Kay and seconded by Mr. Griffith.**

**Passed Unanimously**

**There being no further business to come before the State Properties**

**Committee, the meeting was adjourned at 11:15 a.m. A motion was made to adjourn by Ms. Allaire Johnson and seconded by Mr. Kay.**

**Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary**