

## **STATE PROPERTIES COMMITTEE**

**Tuesday, October 10, 2006**

**The meeting of the State Properties Committee was called to order at 10:01 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, Eva Bernardo, Valeria Bianco, Maureen McMahon and Andrew Cardillo from the Rhode Island Department of Transportation; John Ryan and Kevin Nelson from the Rhode Island Department of Administration; Brian Peterson from the Rhode Island Department of Revenue; J. Vernon Wyman from the University of Rhode Island; Lisa Primiano from the Rhode Island Department of Environmental Management; Robert C. Bromley from the Senate Fiscal Office; Stephen G. Tocco from the Rhode Island Capitol Police; Sam DeVincenzo from the Rhode Island State House; and Benjamin Gedan and John Castellucci from The Providence Journal Bulletin.**

**The next meeting of the State Properties Committee is scheduled to be held on Tuesday, October 26, 2006.**

**A motion was made to approve both the minutes of the State Properties Committee meeting held on September 26, 2006, and the special meeting held on October 2, 2006, by Ms. Allaire Johnson and seconded by Mr. Kay.**

## **Passed Unanimously**

**ITEM A – Department of Administration/Department of Revenue/Division of Motor Vehicles – A request was made for permission to renegotiate a short-term lease agreement for temporary space to house the Division of Motor Vehicles' headquarters. As the State Properties Committee is aware, the Division of Motor Vehicles has attempted to utilize the Request for Proposals procedure, three times formally and once informally, seeking a location for the Division of Motor Vehicles' headquarters. Mr. Peterson indicated that the Pastore Complex is being examined as a future location for the Division of Motor Vehicles' headquarters. Mr. Peterson explained that the Pastore Complex is a promising site for the headquarters for several reasons. First, the Pastore Complex is centrally located. Second, this location is more adequately served by the Rhode Island Public Transit Authority than any other location in the State of Rhode Island. Lastly, it is also the home of the new Traffic Tribunal and there is an abundance of crossover business between the Division of Motor Vehicles and the Traffic Tribunal. This location would reunite the Division of Motor Vehicles with Operator Control and alleviate the inconvenience to customers of having to travel to another location in order to obtain related documentation, thereby, improving service to the public. Mr. Peterson indicated that the Division of Motor Vehicles is seeking permission to negotiate with the current landlord, Apex Development Company, for a two (2) year lease with a one (1) year option. The Division of Motor Vehicles is currently occupying the**

former Apex building on a month to month basis. Therefore, the landlord does not have any financial incentive to make any significant investment as the Division of Motor Vehicles has always been planning to relocate. Mr. Peterson indicated that if a fixed term is negotiated, he believes improvements to the building could also be negotiated as part of the lease agreement. In the event that the Division of Motor Vehicles is unable to negotiate a satisfactory lease agreement, it is seeking permission to go out for competitive quotations for an alternate location for a term of two (2) years. Mr. Griffith clarified that this is a two-part request. The Division of Motor Vehicles is first seeking permission to negotiate with Apex Development for an interim lease of a term of two (2) years with a one (1) year option. Additionally, in the event that said negotiations are unsuccessful, the Division of Motor Vehicles shall have the authority to immediately go out for competitive quotations for a suitable alternate location for a term of two (2) years without the necessity of returning to the State Properties Committee for permission to do so. However, the Division of Motor Vehicles will return to the State Properties Committee with an update relative to the other options presented. Ms. Allaire Johnson asked if the Division of Motor Vehicles believes it will take two (2) years to permanently relocate to the Pastore Complex. Mr. Ryan stated it will be approximately 2 ½ years until the Division of Motor Vehicles can permanently relocate to the Pastore Complex. Chairman Williams indicated that the Division of Motor Vehicles will submit a proposal for the rehabilitation of a suitable facility within the Pastore Complex to the General Assembly

**this year. Chairman Williams commented that the Division of Motor Vehicles' relocation to the Pastore Complex will significantly improve service to the public as all related entities are located there. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM B – Department of Administration/Department of Revenue/Division of**

**Motor Vehicles – A request was made for permission to renew the short-term lease with**

**N & M Properties, LLC for the premises located at 1237 Main Street in the Town of West Warwick. Mr. Peterson explained that the Division of Motor Vehicles is seeking permission to renegotiate the current lease agreement for a term of two (2) years with a one (1) year option.**

**Mr. Peterson indicated that there will probably not be a need for the West Warwick facility once the Division of Motor Vehicles' headquarters relocates to the Pastore Complex. However, in the**

**meantime, the West Warwick branch will continue to serve the West Greenwich and Coventry areas. Chairman Williams asked how long**

**the West Warwick branch has been in operation. Mr. Ryan indicated that the West Warwick branch has been operating for approximately**

**fifteen (15) years. Mr. Kay inquired whether the Division of Motor Vehicles has experienced any problems with the current location**

**and/or landlord. Mr. Peterson stated that the current landlord has been very accommodating and the premises is well maintained. A**

**motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**ITEM C – Department of Administration/Rhode Island Film and Television Office – At the request of Waterfront Pictures, LLC and the Rhode Island Film and Television Office, Item C will be tabled until later in the meeting.**

**ITEM D – University of Rhode Island – A request was made for approval of and signatures on the Deed, conveying the Tibbits Property to the University of Rhode Island. Mr. Wyman explained that the State Properties Committee approved a request to proceed with the purchase of the Tibbits Property on September 12, 2006. Mr. Wyman indicated**

**that the closing of said property was actually accomplished on September 29, 2006. However, the University of Rhode Island is withholding the disbursement of any funds until such time as the State Properties Committee approves the Deed. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Option for the Purchase of Real Estate over 48.33 acres of land located in the Town of Exeter and owned by the Narragansett Gun Club of Kent County, Inc. Ms. Primiano explained that the State of Rhode Island acquired a conservation easement over the majority of this property in 2005. As part of the original conservation easement, the Narragansett Gun Club of Kent County, Inc. granted the State of Rhode Island the option**

to purchase the property in the event the Narragansett Gun Club ceased to exist, provided the purchase price matched any other offers. Pursuant to the Option for the Purchase of Real Estate before the Committee today, the State of Rhode Island will be able to purchase the subject property for a purchase price of \$10.00 if and when the Narragansett Gun Club ceases to exist. Ms. Primiano provided the Committee with a map of the subject property for review.

Ms Primiano explained that the subject property is located within a parcel of land owned by the State of Rhode Island. Ms. Primiano indicated that the Narragansett Gun Club of Kent County, Inc. presently has tax issues with the Town of Exeter, and is hopeful that this Option for the Purchase of Real Estate will resolve the same. Mr. Griffith asked if this parcel of land is a down range impact area. Ms. Primiano indicated the property is a down range impact area. Mr. Griffith inquired whether the Department of Environmental Management believes the Narragansett Gun Club of Kent County, Inc. is responsible for any adverse environmental impact to the Big River Management Area as a result of spent lead.

Ms. Primiano indicated the State of Rhode Island has previously purchased gun club properties and the issue of possible contamination has been internally addressed. Ms. Primiano stated that the Department of Environmental Management follows certain procedures to ensure there is no major environmental impact caused by the spent led. In the event of contamination, there are remedial measures taken to resolve any environmental issues. Ms. Priminano further explained that this Option for the Purchase of Real Estate

**does not obligate the State of Rhode Island to purchase the land; it merely provides the State with the opportunity to purchase the land. Mr. Griffith asked if the property contains any wetlands. Ms. Primiano indicated that there are absolutely no wetlands associated with the property. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over approximately 50 acres of land located in the Town of Charlestown. Ms. Primiano explained that this property is currently under a cooperative land use agreement between the State of Rhode Island and the landowners. This agreement was executed in 1992, and will expire in June of 2018. Ms. Primiano explained that one of the major landowners is adamant that this land be permanently preserved in conservation. Ms. Primiano indicated that there are many landowners involved with this property. However, this particular landowner is concerned that if the Conservation Easement is not executed forthwith, at the time of its expiration in 2018, the current landowners may be deceased and their heirs may have differences of opinions as to what should be done with the property. This request is actually an effort by a local family to ensure the subject property is permanently preserved in conservation. Ms. Primiano indicated that the property is a very fragile dunes area in the Town of Charlestown. This Conservation Easement will not allow public access.**

**The landowners have submitted a management plan which has been reviewed by the Department of Environmental Management. A motion was made to approve by**

**Mr. Griffith and seconded by Ms. Allaire Johnson. Chairman Williams clarified that the land is being donated. Ms. Primiano stated that the land is being donated.**

**Passed Unanimously**

**ITEM G – Department of Transportation – A request was made for conceptual approval to convey 1,935 square feet of land located at 57 Brownell Street and 1,363 square feet of land located at 11 West Park Street to Christian Brothers Limited Partnership 1. Mr. Glynn provided a map of the subject properties to the Committee for review.**

**Mr. Glynn explained that the properties are small parcels of land, which essentially abut Route 95. The Department of Transportation has obtained written authorization from the Federal Highway Administration for the sale of the subject properties. Chairman Williams asked if the applicant is the sole abutter. Mr. Glynn indicated that the applicant is the sole abutter of both parcels of land.**

**Chairman Williams asked if an internal appraisal of the land will be conducted. Mr. Glynn indicated that an internal appraisal will be done. A motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**ITEM H – Department of Transportation – A request was made for conceptual approval to convey 2,483 square feet of land located at the intersection of Routes 114 (Diamond Hill Road) and 116 (Angell**

Road) to Credit Union Central Falls to be utilized for beautification and additional parking. Ms. Bernardo provided a map of the subject property for review by the Committee. The applicant is the sole abutter of the property. Pursuant to a deed restriction, the applicant will be obligated to replace any trees or bushes, which are removed during construction. The State of Rhode Island acquired the property by condemnation. Mr. Griffith asked if the applicant is currently encroaching on the property. Ms. Bernardo indicated that the applicant is not encroaching on the property. Chairman Williams reminded Ms. Bernardo that as the property was acquired by condemnation, the former landowner as well as the Town of Cumberland must be notified, in writing, of the intended sale. A motion was made to approve by Mr. Griffith and seconded by Mr. Kay.

**Passed Unanimously**

**ITEM I – Department of Transportation – A request was made for permission to present updated information and for conceptual approval to convey approximately 5.57 acres of land located at the southwesterly corner of Route 5 and Route 113 in the City of Warwick to Carpionato Properties, Inc. Ms. Bianco provided the Committee with an aerial photograph and a map of the subject property. Ms. Bianco stated that she is before the State Properties Committee today to present information concerning the appraisals of the subject property pursuant to the State Properties Committee request of July 5, 2006. Ms. Bianco indicated that the subject**

property consists of 5.57 acres. Ms. Bianco stated that 4.21 acres is available to be sold immediately and the remaining 1.3 acre portion will be available upon completion of the reconstruction of Route 5 and Route 113. The property is zoned commercial business. The Crowne Plaza Hotel is the sole abutter to the property. The former owner of the property is now deceased. Carpionato Properties, Inc. wishes to purchase this property for purposes of extending its parking lot and to preserve the aesthetic environment surrounding the Crowne Plaza Hotel. Ms. Bianco indicated that Carpionato Properties, Inc. is ready, willing and able to pay a premium purchase price for said property to protect its interest. Carpionato Properties, Inc. is concerned that if the property is sold to a third party, a new business may create additional traffic issues in the area and/or undue noise which would affect the guests of the hotel. Ms. Bianco explained that in accordance with the recommendation of the State Properties Committee, the property has been appraised using two methods. Using the assemblage method, the property is valued at \$323,786.00 per acre. As a stand along parcel of land, the property is valued at \$435,000.00 per acre. The total purchase price for the entire 5.57 acres of land is \$2,428,500.00. Carpionato Properties, Inc. has informed the Department of Transportation, in writing, that it is willing to pay the higher appraised value as the purchase price for the subject property. Ms. Bianco stated that the Department of Transportation is fully aware of the concerns of the State Properties Committee relative to the direct sale of this property to Carpionato Properties, Inc. However, the Department of Transportation

respectfully requests that the Committee consider Carpionato Properties, Inc.'s significant investment of time and money in the Crown Plaza Hotel and its' concerns regarding the possibility of a conflict between the hotel and an unrelated business being constructed on the subject property. Ms. Bianco indicated that a public sale of the subject property could quite possibly yield less revenue than the amount, which would be realized from a sole source sale to Carpionato Properties, Inc. Ms. Bianco indicated that the appraisals of the property, which were conducted by George Valentine of Newport Appraisal Group, Inc., have been reviewed and approved by the Department of Transportation's Internal Appraisal Department. Ms. Bianco indicated that the appraisals of the subject property are based upon comparable sales of land in the immediate area. Mr. Griffith asked whether the exit off Route 113 to Route 5 will be eliminated when the reconstruction of Routes of 5 and 113 is complete. Ms. Bianco indicated that it is her understanding the exit will be eliminated. Chairman Williams indicated that on July 5, 2006, the Department of Transportation represented that the subject property, if sold to Carpionato Properties, Inc., would be utilized for beautification. It was then indicated the property would be utilized for additional hotel parking. Chairman Williams indicated that as the subject property is a significant distance from the hotel, he presumes it will not be used for parking and in all probability be developed. Chairman Williams asked if Carpionato Properties, Inc. has informed the Department of Transportation what it plans to do with the property. Ms. Bianco informed the Committee that it is her

understanding the property will be utilized for additional parking and beautification. However, Carpionato Properties, Inc. will explore the possibility of expanding the hotel to possibly include a conference center, swimming pool or some sort of recreational area. Ms. Bianco indicated that Carpionato Properties, Inc. may opt to leave the property as is for an extended period of time. It is Chairman Williams opinion that if Carpionato Properties, Inc. invests over two million dollars for this property, it plans to receive a significant return on its' investment fairly soon. Chairman Williams doubts the property will remain as is for any extended period of time. Chairman Williams explained that the Department of Transportation is essentially asking the State Properties Committee to approve the sale of over five acres of prime property to Carpionato Properties, Inc. without the benefit of a public bid. Chairman Williams indicated that he is not convinced that the conveyance of this property to Carpionato Properties, Inc. will guarantee that the State of Rhode Island will obtain the best and highest value for the land. Chairman Williams is also very concerned that as the State of Rhode Island has sold a significant amount of land to Carpionato Properties, Inc, it may appear that the State is handing over large tracks of land to one developer. Chairman Williams indicated that he understands all of Ms. Bianco's arguments in favor of a sale of the property to Carpionato Properties, Inc. However, as the property is a stand alone parcel of land, which can be utilized for many purposes, the only way to ensure that the State of Rhode Island obtains the best and highest value is to offer the property at a public bid. Chairman Williams is in favor of selling the

property, but cannot support a sale of the property specifically to Carpionato Properties, Inc. Chairman Williams reiterated that after reviewing the map, he is convinced the property will be developed for some purpose other than parking. Ms. Allaire Johnson echoed the concerns of Chairman Williams and indicated that she does not see any legal reason why this property should not be offered at a public bid. A motion was made to grant conceptual approval to convey the property subject to it being offered at a public bid by Ms. Allaire Johnson and seconded by Mr. Griffith. Mr. Griffith stated that the motion to approve should be amended to include the recommendation of the Statewide Planning Program relative to its requirement of a permanent buffer. Ms. Allaire Johnson stated that the buffer restriction is part of the original agreement. Mr. Griffith asked who owns the sand and gravel operation to the south of the Crowne Plaza Hotel. Ms. Bianco explained that the sand and gravel operation was owned by a number of people including DelBonis Construction Company, although, Carpionato Properties, Inc. has acquired most of the property. It is Ms. Bianco's understanding that said property is the future site of the Davol headquarters, which is separate and apart from the property being discussed today. Ms. Bianco indicated that Carpionato Properties, Inc. would like one contiguous parcel of land. Ms. Bianco stated that from a development stand point, it makes sense not to divide the land into different areas. Chairman Williams indicated that from a developers stand point it does make sense. However, the State of Rhode Island is not a developer, nor should it support one developer over another.

**Ms. Bianco reminded the Committee that when Carpionato Properties, Inc. purchased the former Apex site, the State of Rhode Island approved the sole source sale as Carpionato Properties, Inc. was the only abutter and the land was needed to construct a parking lot for the Stop & Shop. Chairman Williams clarified that the State Properties Committee approved said conveyance of land to Carpionato Properties, Inc. because if the land had been purchased by any third party, said party would be unable to obtain egress to Route 5 without entering into some type of agreement with Carpionato Properties, Inc. Therefore, the conveyance to Carpionato Properties, Inc. made sense because the lack of egress to Route 5 decreased the value of the property. The State of Rhode Island would have realized less of the properties value had the land been offered at a public bid. Ms. Bianco indicated that she is not before the Committee to advocate for Carpionato Properties, Inc. or any other developer. However, the Department of Transportation has received a very attractive offer for this property and is inclined to sell any State-owned property for the best and highest value it can obtain. Chairman Williams indicated that the State Properties Committee certainly shares that goal. However, the Committee must ensure that it does not appear the State of Rhode Island is favoring anyone particular developer on a sole source sale basis. In previous situations, the Committee has approved a sole source sale to Carpionato Properties, Inc. simply because offering the parcel of land at public bid would have reduced the amount of revenue realized by the State of Rhode Island. However, in cases when offering property**

at a public bid does not reduce its value, the State Properties Committee is obligated to go out to public bid. If not, there is a potential for policy issues being raised and/or another developer questioning why the State of Rhode Island is selling large tracks of land to one particular developer. A motion was made to grant conceptual approval for the disposition of 5.57 acres of land subject to said property being offered at public sale and subject to the restrictions requiring a buffer zone as set forth in the original agreement by Ms. Allaire Johnson and seconded by Mr. Griffith.

**Passed Unanimously**

**ITEM J – Water Resources Board – A request was made to present updated information relative to the lease between M.S.I. Holdings, LLC and the State of Rhode Island for the premises located at 100 North Main Street in the City of Providence. Mr. Mitchell indicated that the State has had a fairly adversarial relationship with this particular landlord over the past few years. The Water Resources Board leases the fifth floor of a building located at 100 North Main Street in the City of Providence. The Water Resources Board is the only tenant occupying space in said building. The remaining floors have been vacant for some time. The building is currently being renovated to correct fire code violations. Mr. Mitchell indicated that counsel for M.S.I. Holdings, LLC advised the State of Rhode Island that it has received approval from the Fire Marshall and the City Building Official to install a second means of ingress and egress into the building for all of the floors at the northwest corner of the**

building. These renovations will require a reduction in the floor space of the fifth floor by approximately 210 square feet. During construction, an additional 100 square feet of floor space will be sacrificed. The landlord has offered the State a rent abatement of approximately \$400.00 per month during the construction period as well as an adjustment in the rental fee for the permanent loss of floor space. The State of Rhode Island advised M.S.I. Holdings, LLC that the State would expect it to be responsible for the costs of workers on the fifth floor together with any costs associated with reconfiguring the office space as a result of the loss of floor space. The loss of 210 square feet of floor space will result in the elimination of one office from the fifth floor and the adjustment of walls to accommodate two additional spaces. Mr. Mitchell indicated that the parties will meet on October 11, 2006, to discuss an addendum to the Lease Agreement. Therefore, Mr. Mitchell is requesting permission to negotiate with the landlord for said addendum to the Lease Agreement. A motion was made to approve by Mr. Griffith and seconded by Ms. Allaire Johnson.

**Passed Unanimously**

Mr. Mitchell informed the State Properties Committee that the current Lease Agreement is due to expire in January of 2008. There is an option to renew the Lease Agreement, which must be exercised by June of 2007. Mr. Mitchell indicated that he is not aware of the Water Resources Board's intentions regarding the option to renew. Mr. Griffith commented that it is his understanding that the landlord is

**becoming more cooperative. Mr. Mitchell indicated that the landlord is working to correct the fire code violations for which it was cited. Chairman Williams stated that the landlord is becoming more cooperative. However, based upon past history, the he is in favor of the Water Resources Board seeking alternate sites.**

**The Committee moves to go into Executive Session, pursuant to Rhode Island General Law 42-46-4(a)(5) for the specific purpose of discussion or consideration related to the acquisition or lease of real property for public purpose, or of the disposition of publicly held property wherein advanced public information would be detrimental to the interest of the public.**

**A motion was made to enter into Executive Session by Mr. Griffith and seconded**

**by Ms. Allaire Johnson. A roll call vote was taken and the votes were as follows: Mr.**

**Griffith voted "Aye", Mr. Kay voted "Aye", Ms. Allaire Johnson voted "Aye" and**

**Chairman Williams voted "Aye".**

**The State Properties Committee came out of Executive Session at 11:05 a.m.**

**ITEM E1 – Department of Transportation – A request was made for approval to acquire a temporary easement via a Temporary Easement Agreement on a portion of Northwest Bike Trail/Woonasquatucket River Bikeway. After discussion in Executive Session, a motion to approve was made by Mr. Griffith and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**ITEM E2 – Department of Transportation – A request was made for approval of revisions to acquisitions and aerial easements and/or name changes relative to the Sakonnet River Bridge Replacement Project, Plat 2676. After discussion in Executive Session, a motion to approve was made by Mr. Kay and seconded by Ms. Allaire Johnson.**

**Passed Unanimously**

**A motion was made to allow the Department of Transportation to provide updated information concerning the construction of the Royal Mills Bridge No. 27 pursuant to a request by the State Properties Committee on September 12, 2006, under old business, by Mr. Griffith and seconded by Mr. Kay.**

**Passed Unanimously**

**OLD BUSINESS – During the Executive Session of the State Properties Committee meeting held on September 12, 2006, the Department of Transportation requested approval to acquire new one-year temporary easements in conjunction with the construction of Royal Mills Bridge No. 27. Ms. McMahon explained that these temporary easements were being requested because the project was delayed by certain utilities. The State Properties Committee**

recommended that Ms. McMahon research the specific cause of the delay to determine which utilities were responsible. It was the consensus of the Committee that if the delay was caused by some entity other than the Department of Transportation than the State of Rhode Island should seek reimbursement from that entity, or at least a sharing of the cost of the easements. Ms. McMahon informed the State Properties Committee that after researching this matter, it was determined that the delay in the project was actually a result of ledge being discovered by the Department of Transportation thereby delaying the utility work. The State Properties Committee commended Ms. McMahon for her diligence in providing updated information as requested.

Chairman Williams informed the other members of the Committee that relative to Item C, a representative from the Rhode Island Film and Television Office was expected to appear before the State Properties Committee, prior to the conclusion of today's meeting. Chairman Williams, in an attempt to accommodate the Rhode Island Film and Television Office and Waterfront Pictures, LLC, agreed to place Item C at the end of the agenda. However, in the absence of said representative, Chairman Williams suggested that Item C be deferred to the next meeting of the State Properties Committee. Mr. Griffith indicated that as the letter of transmittal requests permission to commence filming at the State House on October 11, 2006, the Committee cannot defer said item to the next meeting, unless the applicant is prepared to change the filming dates. Chairman Williams explained that one of the issues delaying the item, which is not the

**fault of the Film and Television Office, is that the production company wants to wedge its filming between two previously scheduled events at the State House. Chairman Williams indicated that he strongly opposes this request. Chairman Williams stated that although the State Properties Committee has done its' best to accommodate the film industry, its' primary concern is to protect the best interest of the State of Rhode Island.**

**There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:17 a.m. A motion was made to adjourn by Ms. Allaire Johnson and seconded by Mr. Kay.**

**Passed Unanimously**

---

**Holly H. Rhodes, Executive Secretary**