

## STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JULY 24, 2007

The meeting of the State Properties Committee was called to order at 10:00 a.m. by Mr. Robert Griffith. Other members present were Mr. John Ryan representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were Gerald Ratigan from the Rhode Island House of Representatives; Xaykham Khamsyvong and Nathan Myers from the Rhode Island Office of the General Treasurer; Thomas Wright from the Department of Administration; Paul Carcieri, Anthony DeQuattro, Robert B. Jackson, Marc Malkasian, David Coppotelli and Eva Bernardo from the Rhode Island Department of Transportation; John Faltus, Mary Kay and Jennifer Lemieux from the Department of Environmental Management; Gail A. Theriault from the Rhode Island Department of Labor and Training; Betty Harvey from the Rhode Island Department of Health; Kevin Madigan from the Rhode Island Senate Fiscal Office; Captain David O'Mara from the Rhode Island National Guard; Michael Butler from the Federal Highway Association and Elizabeth Gudrais from the Providence Journal Bulletin.

Mr. Griffith noted for the record that the State Properties Committee did have a quorum present.

ITEM A – 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 2007, and ending October 2007. Ms. Theriault indicated this matter was deferred to this meeting of the

State Properties Commission for clarification relative to the insurance coverage, which is currently listed in the Memorandum of Understanding. It is Ms. Theriault's understanding that the Memorandum of Understanding has been reviewed by both Kevin Carvalho of the Department of Administration, Risk Management and the Department of Attorney General and they are satisfied with the \$300,000 / \$100,000 insurance coverage listed in the Memorandum of Understanding. Mr. Kay indicated that he would like the State Properties Committee to be provided with a copy of the Certificate of Insurance. Mr. Woolley stated for the record that he had conferred with Kevin Carvalho and he indicated that he is satisfied that the amount of insurance coverage is adequate. A motion was made to approve subject to a Certificate of Insurance being provided to the State Properties Committee evidencing that said coverage exists by Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

ITEM B – Department of Health – 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 in the courtyard at Capitol Hill in the City of Providence from July 2007, through October 2007. Ms. Harvey indicated that the document before the Committee is a duplicate of last year's Memorandum of Understanding. The document has been executed by the Directors of the Department of Environmental Management, the Department of Health and the Department of Administration. Ms. Harvey explained that on the opening day of the Farmers' Market, Peter Susi of the Department of Environmental Management collects the insurance information and has the participating farmers sign a waiver. Last year three (3) local farmers participated in the market and the

same number is expected to participate this year. Ms. Harvey indicated that the Department of Health manages the set up and breakdown of the market. The market takes place every Thursday from 11:00 a.m. until 2:00 p.m. Mr. Woolley indicated that as the State Properties Committee required the Department of Labor and Training to have \$300,000 / \$100,000 liability insurance coverage for its Farmers Market, the same should be required for this event as well. It is Ms. Harvey's understanding that the \$300,000 / \$100,000 liability insurance coverage is the mandatory minimum for all the participating farmers. Ms. Harvey indicated that she will gladly add said language to the Memorandum of Understanding and, once again, obtain the signatures of the Directors. However, she believes that no farmer will be allowed on the premises without the \$300,000 / \$100,000 liability insurance coverage. A motion was made to approve subject to the Memorandum of Understanding for the Capitol Hill Farmers' Market be consistent with the Memorandum previously approved by the State Properties Committee for the Department of Labor and Training's Farmers' Market by Mr. Ryan and seconded by Mr. Kay. Mr. Griffith recommended that the revised Memorandum of Understanding be provided to the Executive Secretary of the State Properties Committee prior to the commencement of the Farmer's Market on July 26, 2007.

Passed Unanimously

ITEM C – Department of Administration – A request was made for approval of and signatures on two (2) Grant of Easement Agreements between the Department of Administration and the National Grid for the transmission and distribution of natural and manufactured gas to property located at 2 Capitol Hill in the City of Providence. Mr. Wright explained that these are standard Grant of Easement Agreements for National

Grid to maintain the gas transmission lines, which service the Department of Transportation building. The format utilized for these Agreements is identical to the format, which was approved by the State Properties Committee approximately six (6) months ago for electrical service to the same location. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay. Mr. Ryan indicated he will abstain from voting relative to this item due to a possible conflict.

Four (4) Votes “Aye”

Mr. Woolley  
Mr. Kay  
Mr. Pagliarini  
Mr. Griffith

One (1) Abstention

John Ryan

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement between the Department of Environmental Management and BorderChallenge Championships, LLC to utilize Goddard Park on Saturday, November 17, 2007, for its North Atlantic Region Cross Country Championship. Mr. Faltus explained that this request was forwarded to the Department of Environmental Management by the Providence and Warwick Convention and Visitors Bureau for BorderChallenge Championships, LLC, which is a State of Utah Registered Limited Liability Corporation. BorderChallenge Championships, LLC is organizing a national cross country championship and it is seeking to utilize a number of sites around the United States for regional qualifying cross country meets. Mr. Faltus indicated that Goddard Park is a popular location used by the Rhode Island Interscholastic League for cross country meets. The BorderChallenge is a limited

liability company, which would like to have vendors and limited merchandising so the Department of Environmental Management felt a License Agreement was in order. Mr. Faltus also indicated that the packet provided to the State Properties Committee contains a memorandum from Robert J. Paquette, Regional Park Manager, together with BorderChallenge Championships, LLC's current Certificate of Insurance through USA Track & Field, Inc. Said insurance policy is due to expire on November 1, 2007, at which time the Certificate of Insurance is going to be amended to include insurance coverage for the event held at Goddard Park. BorderChallenge Championships, LLC's will have to provide increased insurance coverage as the License Agreements requires \$2,000,000 in aggregate and BorderChallenge Championships, LLC presently carries only \$1,000,000 in aggregate. BorderChallenge Championships, LLC's will also have to name the State of Rhode Island as an additional insured. Therefore, Mr. Faltus requested that the License Agreement be approved subject to BorderChallenge Championships, LLC providing the updated and increased Certificate of Insurance. A motion was made to approve subject to the insurance coverage being updated and increased to the satisfaction of the Department of Environmental Management by Mr. Woolley and seconded by Mr. Ryan. Mr. Griffith recommended that the Department of Environmental Management provide a copy of said Certificate of Insurance to the State Properties Committee prior to the event.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease between the Department of Environmental Management and Wicks'N'Sticks for the building and business formerly

operated as May's Gift Shop located on Lot 251 in the Port of Galilee. Ms. Kay presented a photograph of the subject property. The business was operated for approximately fifteen (15) years as May's Gift Shop by Louise Parent. However, for the past few years, the property has been subleased because Ms. Parent is now in her 80's and is no longer able to operate the gift shop. In June of this year, the Galilee Lease Advisory Committee proposed a new permanent tenant for the site. This permanent tenant does business as Wicks'N'Sticks. The business is operated by Paul and Kathleen Krikorian. The Krikorian's operate a Wicks'N'Sticks store in the Warwick Mall and are very pleased to have this opportunity to expand their business. Wicks'N'Sticks will sell the usual souvenirs, saltwater taffy and sunscreen; however, it will be increasing its inventory to include candle products as well as nautical furniture and shell lamps. The Krikorian's have provided a Certificate of Authority, Certificate of Corporate Disclosure and the Certificate of Insurance. Mr. Pagliarini asked if the Indenture of Lease is a land/ground lease or if the State of Rhode Island owns the structure on the property. Ms. Kay explained that in the Port of Galilee, the State of Rhode Island Department of Natural Resources condemned the land in the 1940s. The Department of Environmental Management as successors now owns the approximately forty (40) acres of land in the Port of Galilee. The Department of Environmental Management now leases the lots for commercial fishing and other related uses. Approximately two (2) years ago, the State Properties Committee toured the State-owned land in the Port of Galilee with the Department of Environmental Management to show the Committee the types of businesses operating in the Port of Galilee. Subsequently, the Department of Environmental Management reappraised all of the lots in the Port of Galilee. The

Department of Environmental Management did the appraisals in phases in an attempt to spread out the cost. The subject property has been reappraised at a new increased rental value, which is approximately forty (40%) percent greater than the rate that was previously charged. However, the buildings themselves are actually owned by the tenants. Mr. Pagliarini noted that the Indenture of Lease states at 1 (a) “The operation of a candle and gift shop, with said business to be open every day with regular business hours from Memorial Day to and including Labor Day during each year of the lease term.” Mr. Pagliarini asked if the Department of Environmental Management is mandating that the business be open everyday. Ms. Kay indicated that in the past the Departmental Management has received complaints that the gift shops have closed for several days and due to the great interest in operating shops in the area, the Department wants active businesses to occupy these properties. Mr. Pagliarini noted that paragraph 2 on page 7 stated “The amount of annual rent so fixed for each option period shall be based on the most recent appraisal of the value of the land and dock space...” Mr. Pagliarini asked if this is standard language or if the property actually has dock space. Ms. Kay indicated that said language is simply standard language. Mr. Ryan asked how often the property is reappraised. Ms. Kay indicated that the property is reappraised every five (5) years or at such time as the Department of Environmental Management or the State Properties Committee requests that an appraisal be conducted. Mr. Kay commented that he was extremely pleased with the Certificate of Insurance, which was submitted to the Department of Environmental Management relative to this lease and suggested that this format be used for all leases and agreements in the future. A motion

was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

As a discussion of the Department of Transportation's Item H concerning Letters of Authorization may affect the approval of other items on the agenda, the State Properties Committee felt it would be prudent to hear Item H out of order.

ITEM H – Department of Transportation – A discussion regarding the use of Letters of Authorization by the Department of Transportation. Mr. Carcieri explained that on the June 26, 2007, the Department of Transportation appeared before the State Properties Committee to introduce a vehicle that the Department has utilized for last seventeen (17) years referred to as Letters of Authorization. That vehicle in effect grants de minimis uses of State-property for a period of less than thirty (30) days for no fee. Typically a Letter of Authorization is utilized when the Department of Transportation intends to grant the use of State-owned property to civic organizations, municipalities and engineering firms that need to do emergency environmental testing. Mr. Carcieri indicated that the question was raised, by the Director of the Department of Transportation, whether these Letters of Authorization should come before the State Properties Committee for perusal and execution before permission to utilize State-owned property is granted. Mr. Carcieri indicated that he is before the Committee today for guidance as to whether the Department can continue utilize said vehicles without having the same executed by the State Properties Committee. Mr. Carcieri emphasized that the Letters of Authorization have given the Department the ability to be very flexible, when well meaning organization such as the Boys Scouts and municipalities approach the Department of Transportation concerning the use of State-owned property for a short



period of time to for such activities as erecting a banner, conducting a cemetery clean up and the like. Mr. Carcieri explained that Letters of Authorization provide for insurance coverage and stipulate the period of time for the applicant to be on and off the property. The Letters of Authorization also provide for hazardous waste indemnification and restoration of the subject property. The Letters of Authorization are revocable immediately at the discretion of the Department of Transportation. Mr. Carcieri indicated that the Letters of Authorization have been very successful for over seventeen (17) years and there have been no problems, claims, issues or disputes from any party to which the Department of Transportation granted a Letter of Authorization. Mr. Pagliarini indicated that he perceives this request as ministerial duties on the part of the Department of Transportation. Mr. Pagliarini feels that in view of the de minimis uses of State owned property, for which the Letters of Authorization are granted, he does not believe they should require the approval and execution of the State Properties Committee. Mr. Pagliarini indicated that he can certainly see how requiring an organization to appear before the State Properties Committee for approval and execution of the Letters of Authorization can affect certain events which occur on a swift basis. Mr. Pagliarini feels that the Letters of Authorization can be a more efficient way of dealing with these de minimis uses of State Properties. Mr. Kay indicated that he agrees with the gratis use of State property for non-profit organizations, but asked Mr. Carcieri to explain the rationale for not charging for-profit organizations a usage fee. Mr. Carcieri explained that the requested use of the property is so minimal that the Department of Transportation does not feel that it merits a cost per se. Mr. Carcieri indicated that an overwhelming number of the applicants are nonprofit organizations. Mr. DeQuattro indicated that use of Letters

of Authorization for these de minimis uses of State-owned land is good public relations for the Department of Transportation. Mr. Carcieri concurred that they are good for public relations and again stated that the organizations have very good intentions for the use of property such as blood drives, cemetery clean up as well as displaying banners for upcoming events. Mr. Carcieri indicated the use of the property is for no more than thirty (30) days except in cases of environmental studies, which may require a longer period of time. Mr. Woolley indicated that he conferred with Michael Mitchell, Legal Counsel for the Department of Administration, Genevieve Allaire-Johnson of the Department of Attorney General and reviewed the statute concerning concessions, leases and licenses. Mr. Woolley indicated that although these Letters of Authorization may be more convenient for both the Department of Transportation and the applicants, it appears that the broad scope of §37-7-9 of the R.I.G.L. requires that State agencies obtain the approval of the State Properties Committee before granting permission for the use of State-owned property. Mr. Woolley noted that the list of incidents where Letters of Authorization were used by the Department involve the use of State-owned property for the purpose of filming. Mr. Woolley indicated that as the State requires the film industry to jump through many hoops to use public buildings such as the State House, the same requirements should apply for the use of property controlled by the Department of Transportation. Mr. Woolley appreciates the fact that these Letters of Authorization are convenient and assists well intended organizations, however, the statute is the statute and State agencies are required to comply with it. Otherwise, there is potential for liability exposure. Mr. Griffith indicated that the Department of Administration charges some sort of fee whether it is a damage deposit, usage fee or both for the use of property

controlled by the Department of Administration. Mr. Ryan indicated that granting permission for the Department of Transportation to use these Letters of Authorization is inconsistent with what the State Properties Committee requires of other State-agencies, especially when the film industry is involved. Mr. Pagliarini asked Mr. Woolley if the State Properties Committee could provide State agencies with a blanket authorization for granting use of State-owned property for cemetery clean up and other like events. Mr. Woolley indicated that it seems to him that on occasion blanket authorizations have been utilized in the past when a State-agency anticipates that some sort of a routine activity will take place on a certain type of property for a certain period of time. Mr. Pagliarini asked whether the Committee could make a motion allowing State-agencies to grant permission for the use State owned property for cemetery clean up or to display a banner without the need for the approval of the State Properties Committee. Mr. Woolley indicated that it is his understanding there is some sort of a mechanism that allows the Department of Transportation to grant permission for use of State-property for banners and tributes/memorials to individuals who have been killed on roadways where people place flowers and other memorabilia. Mr. Carcieri clarified that the request being discussed today does not concern the erection of memorials. The Department is seeking permission to utilize Letters of Authorization for requests such as Item F of this week's agenda, wherein the Newport International Boat Show is requesting permission to display a banner on State-owned property to advertise an upcoming event. Mr. Carcieri also indicated that the Department is not before the Committee to advocate one way or the other concerning the use of Letters of Authorization; however the Department does need the Committee's input as there are several requests of this nature coming up in the near

future. Mr. Woolley indicated that the State Properties Committee has been very accommodating in terms of scheduling special meetings when the need arises. Mr. Mitchell addressed Mr. Pagliarini's questions regarding a motion by the Committee and indicated that he has also reviewed the Rules and Regulations of the State Properties Committee and found nothing that authorizes the delegation of discretionary authority to a State-agency. Therefore, Mr. Mitchell believes that a review and possible amendment of the Rules and Regulations to provide for that type of delegated authority may be a better method than the making of a motion. Mr. Kay indicated that he is most concerned with requests to use State-owned property for filming. Mr. Kay asked if it is possible to develop a document specifically for the use of State-owned property for the purpose of filming. Mr. Griffith indicated that the Film and Television Office has made good progress with regard to a standardized document over the past couple of years as there has been more filming projects coming to the State of Rhode Island. Mr. Griffith informed some of the newer members of the State Properties Committee that there was some discussion, during Mr. Williams' tenure as Chair, relative to the State Properties Committee creating a consent calendar. However, as matters took on a life of their own for Mr. Williams that was put on hold, although, Mr. Griffith believes the idea should be revisited with Chairman Flynn. Mr. Griffith indicated that consistency is of the utmost importance to the State Properties Committee. Therefore, Mr. Griffith recommended that the Department of Transportation bring all License Agreements before the State Properties Committee concerning requests for use of State-owned property for filming or operations where vendors and/or public use are involved. Mr. Griffith indicated that because of his great respect for and confidence in Mr. Carcieri's judgment, he

recommends that the Committee grant Mr. Carcieri permission to use discretion relative to request for use of State-owned property by nonprofit groups such as the Boy Scouts. However, Mr. Griffith added that it is his opinion that if a request involves the use of property for an overnight operation, said request ceases to be de minimis. Mr. Griffith also indicated that he will consult with Chairman Flynn regarding this matter immediately the matter upon the Chair's return from vacation. Mr. Pagliarini asked that a special meeting be scheduled to review and possibly amend the Rules and Regulations of the State Properties Committee to address this matter. Mr. Mitchell indicated that a committee has been formed for this purpose. However, there has been only one very preliminary meeting held thus far. Mr. Pagliarini asked who has been chosen to serve on this special committee. Mr. Mitchell indicated that Chairman Flynn, a representative from the Planning Department and the Legal Department were present at this first meeting and additional appropriate representatives will be selected. Mr. Pagliarini asked if all the members of the Committee are full-time employees of the State of Rhode Island. Mr. Mitchell indicated he believes that the members will comprise of full-time employees of the State of Rhode Island. Mr. Griffith indicated that this matter should return to the State Properties Committee for further discussion and additional input from the members of the special review committee and anyone else who wishes to weigh in on the matter.

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Letter of Authorization for use of the Route 24 rest area in the Town of Portsmouth to display a banner for the Newport International Boat Show. Mr. Carcieri explained that the elements of the Letter of Authorization are a condensed version of the more important aspects of a license agreement. The requested use of State property is

merely to erect a 3' x 5' banner along a fence in the Park and Ride located along Route 24 in Portsmouth. The Letter of Authorization empowers the banner to remain at that location for thirty (30) days. The Letter of Authorization includes a liability clause indemnifying that the State against potential untoward occurrences. The Letter of Authorization also gives the Department of Transportation the right to have the banner removed at will. Mr. Ryan indicated that he has no objection to the request; his only concern is regarding traffic safety as the document does not specifically dictate where on the site the banner can be placed. Mr. Pagliarini made a motion to approve subject to the Department of Transportation's approval of the placement of the banner and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for conceptual approval to convey 11,700 square feet of land located on State Street in the City of Providence designated at Plat 2264A, Parcel 6. Mr. Mitchell presented copies of a class 1 survey, which clearly identifies the two (2) small subject parcels of land. It is Mr. Mitchell understanding that these two (2) parcels of land were acquired by the State of Rhode for the relocation and redesign of Smith Street. The State of Rhode Island then entered into an agreement with the owner of the One State Street property, Boston Investment Partners, as a result of the State taking a portion of its original parking lot for the redesign/relocation project. The agreement resolved a monetary claim whereby Boston Investment Partners was given the right to lease seventeen (17) parking spaces located in the Department of Administration parking lot together with thirteen (13) parking spaces located directly behind the One State Street building. The Lease

Agreement is for a term of ten (10) years with a ten (10) year option to renew. Said Lease Agreement will not expire until 2014. Mr. Mitchell explained that in May of 2006, the State Properties Committee approved a proposal, whereby the State of Rhode Island would recover the seventeen (17) parking spaces located in the Department of Administration parking lot and the Department of Administration entered into an agreement, whereby the State of Rhode Island sold the thirteen (13) parking spaces located behind the One State Street building to Boston Investment Partners. The Agreement is dated May 9, 2006, and was approved by the State Properties Committee. The survey which is required by the Agreement has been conducted and now the State is ready to proceed with the appraisal that is also required by the Agreement. As the subject property was acquired by condemnation, once the appraisal of the property is completed, the State of Rhode Island will have to offer the property for sale to the former owner and the municipality in accordance with the statute for the rights of first refusal. Mr. Griffith indicated to the Committee that at a previous meeting, the State Properties Committee asked for clarification concerning the background of this particular transaction, due to the Committee's concerns regarding the existing shortage of parking along Capitol Hill. Mr. Griffith clarified that several members of the Committee wanted an explanation as to why the State of Rhode Island is relinquishing much needed State-owned parking spaces to Boston Investment Partners. Mr. Pagliarini indicated that the State Properties Committee had requested a copy of the Lease Agreement dated May 1, 1993. Mr. Mitchell asked if Mr. Pagliarini is referring to the Lease Agreement or the Agreement with the Boston Investment Partners. Mr. Pagliarini requested that the Committee be provided with both. Mr. Pagliarini thanked Mr. Mitchell for his explanation concerning the history of the

subject property. However, Mr. Pagliarini indicated that it is his opinion that said explanation does not demonstrate a need to sell the subject property. Mr. Pagliarini indicated that he is hard pressed to believe that there is not a State-agency that would invoke the transfer, care and custody of this lot and/or the City of Providence for that matter, as the need for parking on Capitol Hill is so great. Mr. Pagliarini indicated that he was at a loss as to how this property can be deemed surplus and sold. Mr. Pagliarini indicated that he will gladly listen to further discussion, but stated that he is in a position to deny conceptual approval to sell this property. Mr. Ryan explained that if the Committee granted conceptual approval to sell the property, the Department of Transportation would still have to proceed through the A95 surplus process. Mr. Jackson indicated that the subject property has already gone through the A95 surplus process and that no State-agency expressed any interest in the subject property. Mr. Ryan asked Mr. Mitchell to clarify when the term of the Lease Agreement will expire. Mr. Mitchell indicated that the term of the Lease Agreement will not expire until 2014. Mr. Ryan stated that if that is the case, then the State does not have control of the subject property. Mr. Mitchell indicated that the State would not have had control of the seventeen (17) parking spaces located in the Department of Administration parking lot or the thirteen (13) parking spaces behind the One State Street building save for the Agreement, which currently exists between the State of Rhode Island and Boston Investment Partners. Mr. Mitchell explained that the Agreement dated May 9, 2006, replaced the Lease Agreement dated May 1, 1993. Boston Investment Partners returned the seventeen (17) parking spaces to the State and is leasing the thirteen (13) parking spaces located behind the One State Street building. Mr. Mitchell stated that a contract already exists between the State



of Rhode Island and Boston Investment Partners, whereby the State has agreed to sell the subject property to them subject to the rights of first refusal of the former owner and the municipality and the obligation to offer the property to other State-agencies, which has already been done. Mr. Mitchell stated that at the present time, there is an existing contract to sell the subject property, which was approved by the State Properties Committee. Mr. Pagliarini indicated that the meeting minutes of May 9, 2006, stated “This revision allows the Department of Administration to reacquired the thirteen (13) parking spaces on December 31, 2009, in the event a sale cannot be arranged.” Mr. Pagliarini then asked whether the property will revert back to the State of Rhode Island on December 31, 2009, if the Purchase and Sale Agreement is not approved by the State Properties Committee. Mr. Mitchell indicated that if there is no sale to the owner of One State Street, the parking spaces will revert back to the State of Rhode Island. However, the May 9, 2006, Agreement gives Boston Investment Partners the option to purchase the property for the appraised price. The next phase of said Agreement requires the State to obtain an appraisal of the property. Mr. Mitchell indicated that the Department of Transportation has a staff MAI certified appraiser who can appraise the property at no cost to the State of Rhode Island. Boston Investment Partners has agreed to accept that person as the appraiser. Mr. Woolley asked how this property was presented to the various State-agencies that have offices and a need for parking on Capitol Hill. Mr. Mitchell presented a form letter which is returned to the Executive Secretary of State Properties Committee with any objections and/or comments after the agency has reviewed the complete surplus property package. Mr. Woolley indicated that said letter was very vague and did provide pertinent information concerning the subject property.

Mr. Woolley suggested that more detailed information concerning surplus properties be provided to the various State-agencies so that they can make a more informed decision as to whether they are interested in the property. Mr. Jackson explained that when a surplus property is offered to the various State-agencies, a comprehensive package is forwarded, which includes a memorandum from the controlling agency, an Action Request Form, a Request to Convey State-Owned Property Form together with a site plan which illustrates the exact location of the property and very often photographs of property are included as well. Mr. Khamsyvoravong believes that regardless of an individual agency's need for a parking lot, the overall need to alleviate the current lack of parking spaces is very apparent. Mr. Khamsyvoravong noted that the meeting minutes of April 25, 2006, indicated that the seventeen (17) parking spaces are very valuable to the Department of Administration as parking is very limited next to this building. Therefore, Mr. Khamsyvoravong does not understand why the State retains seventeen (17) parking spaces, but sells thirteen (13) spaces. Mr. Khamsyvoravong also asked how the Department of Transportation can foresee that there will not be a future expansion of the number of State-employees working on Capitol Hill. Mr. Khamsyvoravong stated that there has been an expansion of the legislature over this past year and they are proposing an expansion of an additional ten (10) full time employees. Mr. Khamsyvoravong asked where these individuals are going to park and what consideration is being given to the future need for parking along Capitol Hill. Mr. Mitchell indicated that he can only inform the Committee members what the State Properties Committee did on May 9, 2006, which was to approve an Agreement by and between the State of Rhode Island and Boston Investment Partners. Mr. Mitchell also informed the Committee that the State of

Rhode Island currently has a contract with Boston Investment Partners, which requires the State to conduct an appraisal of the subject property and offer it to them for sale. Mr. Pagliarini asked if said contract is subject to the State Properties Committee's final approval. Mr. Mitchell indicated that the contract is subject to the State Properties Committee's final approval. A motion to deny was made by Mr. Pagliarini and seconded by Mr. Kay. The motion to deny a request for conceptual approval to convey the subject property passes three (3) votes Aye to one (1) vote Nay.

Three (3) Votes Aye

Mr. Pagliarini  
Mr. Kay  
Mr. Woolley

One (1) Vote Nay

Mr. Ryan

ITEM I – Department of Transportation – A request was made for approval of and signatures on the Agreement to Purchase and a Quit Claim Deed for the transfer of property located at One Franklin Square in the City of Providence. Mr. Clarke explained for the newer members of the State Properties Committee that the Department of Transportation had the subject property appraised in December 2006. In January 2007, the State Properties Committee granted conceptual approval to proceed with the Request for Proposals process for a public solicitation of bids. In May of 2007, the Department of Transportation received one (1) bid, which met the minimum criteria of \$2.3 million dollars from the building's tenant. Mr. Clarke indicated that pursuant to state law the Department of Transportation offered the property for sale to the City of Providence and the former owner, 57 Associates. 57 Associate exercised its preemptive right to re-

purchase the property from the Department of Transportation for the 2.3 million dollar purchase price. Mr. Clarke indicated that the Department of Transportation is seeking approval of and signatures on the Agreement to Purchase and the Quit Claim Deed to transfer the subject property to 57 Associates, within the next few days, subject to the approval of State Properties Committee. Mr. Clarke noted that the Department of Transportation's legal counsel very recently informed him that the purchase price must be included in the Quit Claim Deed. Mr. Clarke indicated that a minor correction was also made to the meets and bounds description. Mr. Clarke indicated that he contacted Mr. Woolley regarding both these revision to the Quit Claim Deed. Mr. Ryan commended Mr. Carcieri and his staff for relocating the Department of Transportation's personnel from the One Franklin Square property to a more suitable location in such an expedited manner. Mr. Ryan also commended Mr. Clarke for his efforts relative to the sale of the subject property. Mr. Ryan indicated that the purchase price of 2.3 million dollars will be used to acquire matching federal funds to assist Director Williams with his roadway program. Mr. Griffith concurred that the Department of Transportation did a commendable job relative to the relocation of personnel and the sale of this property. A motion was made to approve subject to the aforementioned revisions by Mr. Pagliarini and seconded by Mr. Ryan.

Passed Unanimously

ITEM J – Department of Transportation – A request was made for approval of and signatures on an Agreement to Purchase and a Quit Claim Deed for the transfer of property located at 777 Putnam Pike in the Towns of Smithfield and Gloucester to Abramek Realty Associates, LLC. Mr. Carcieri indicated that before the Committee

today is a Quit Claim Deed and a Purchase and Sale Agreement conveying approximately 4,700 square feet of State-owned property to Abramek Realty Associates, LLC. The State Properties Committee granted conceptual approval for the sale of the subject property on April 17, 2007. Mr. Carcieri indicated that the purchase price for the subject property is \$8.75 per square foot. The Department of Transportation conducted an appraisal of the property and estimated its value at \$10.00 per square foot. Abramek Realty Associates proposed a purchase price of \$7.50 per square foot based upon an appraisal of its own, which the Department of Transportation believes has some merit. Therefore, a negotiated purchase price of \$8.75 was agreed upon. A motion to approve was made subject to the deed being revised to reflect the purchase price of the property in accordance with state law by Mr. Ryan and seconded by Mr. Kay.

Passed Unanimously

ITEM K – Department of Transportation – A request was made for approval of and signatures on a License Agreement between the Department of Transportation and Stephen Ferri for the use of 400 square feet of land located on Locust Place in the Town of Warren. Mr. Carcieri explained that Mr. Ferri approached the Department of Transportation with a request for permission to utilize approximately 400 square feet of State-owned property adjacent to the East Bay Bike Path in the Town of Warren for the placement of a garden shed. Mr. Carcieri explained that this is actually an extension of an agreement that has historically existed between the Department of Transportation and Mr. Ferri. Mr. Carcieri explained that the Department of Transportation cannot sell the subject property as it is the practice of the Department to not sell any railroad property, especially railroad property in proximity to the East Bay Bike Path. Mr. Carcieri

indicated that before the Department of Transportation comes to the State Properties Committee with a request to license property, the Department internally examines whether it is able to sell a property. However, due to the reasons stated above the Department will license this property, but will not offer it for sale. The subject property is directly adjacent to the Mr. Ferri's private property and he will utilize the property for a garden shed. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Ryan.

Passed Unanimously

ITEM L – Rhode Island State Police – A request was made for approval of and Signatures on a Memorandum of Understanding by and between the Rhode Island State Police, the Rhode Island National Guard and the Rhode Island Emergency Management Agency concerning property located on Danielson Pike in the Town of Scituate, designated at Plat No. 32, Lot 34. Ms. Wolff Fallon explained that the subject property has been used by the Rhode Island National Guard since the 1950s and is now going to be transferred to the control of the Rhode Island State Police. Originally, in the 1950s, the subject property was transferred from the Rhode Island State Police to the Rhode Island National Guard. Ms. Wolff Fallon indicated that there is a separate Memorandum of Understanding regarding the subject property. The Rhode Island Emergency Management Agency will continue to occupy a portion of one of the buildings on the property. Ms. Wolff Fallon indicated that the Rhode Island National Guard will continue its environmental monitoring of the property. Ms. Wolff Fallon indicated that upon the State Properties Committee's approval of the Memorandum of Understanding, the Rhode Island State Police will then obtain a transfer of property letter from the Governor in

accordance with statute. Ms. Wolff Fallon explained that conceptual approve to transfer the property was granted approximately a year and a half ago; however, due to changes within the Rhode Island National Guard, the matter was put on hold for the past year. A motion was made to approve by Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

ITEM M – Rhode Island Army National Guard – A request was made for approval of a Grant of Easement Agreement with the National Grid to provide electrical service to property located at 705 New London Avenue in the City of Cranston. Captain O’Mara explained that the Rhode Island Army National Guard is currently upgrading Schofield Armory located at 705 New London Avenue and is seeking approval of a Grant of Easement Agreement to National Grid to provide electrical service to the facility. Mr. Griffith asked if Captain O’Mara had a copy of said Agreement. Captain O’Mara indicated that as the Rhode Island Army National Guard is seeking conceptual approval at this time, the Grant of Easement Agreement has not yet been prepared. A motion to grant conceptual approval of a Grant of Easement Agreement was made by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM N – Rhode Island Army National Guard – A request for guidance from the State Properties Committee relative to the construction of a 5,000 square foot warehouse on a parcel of State-owned land located on Metacom Avenue in the Town of Bristol. Mr. Griffith asked Captain O’Mara to clarify what sort of guidance the Rhode Island Army National Guard is seeking. Captain O’Mara explained that the Bristol Armory is State-owned property and the National Guard Bureau has contracted with LOGIS-TECH, Inc.

of Manassas, Virginia, to provide these building with one hundred (100%) percent federal funding via a federal contracting mechanism. Captain O'Mara explained that in order to execute a federal contract on State-owned property, the federal statute requires either that the State of Rhode Island pass legislation allowing the Rhode Island Army National Guard to execute federal contracts on State-owned land, or an opinion from the Department of Attorney General stating that the execution of such a contract does not violate state statute. Mr. Griffith indicated to Captain O'Mara that he felt the path of least resistance is through the Department of the Attorney General. Mr. Woolley recommended that the Rhode Island Army National Guard send a written request to Attorney General Patrick Lynch indicating specifically what it needs. Mr. Pagliarini suggested that perhaps the State Properties Committee could provide the Department of Attorney General with an advisory opinion indicating that the Committee supports the federal use of the State-property. Mr. Kay asked if this request concerns an emergency situation relative to security. Captain O'Mara explained that the National Guard Bureau is responsible for examining the Rhode Island Army National Guard's Equipment Readiness and Maintenance Program. The National Guard Bureau has determined that a great deal of corrosion exists due to the equipment being parked in the open. Captain O'Mara indicated that the National Guard Bureau is providing a 10,000 square foot warehouse containing humidity controlled preservation equipment in order to resolve this problem. Captain O'Mara stated that the humidity controlled preservation equipment is a separate contract, which is separable from the building. However, what the National Guard Bureau wants to do is to include this equipment so once the fleet is repaired it will remain in a ready state. Mr. Pagliarini asked if the warehouse will be entirely constructed



on the Rhode Island Army National Guard's property having nothing to do with the abutting Veteran's Home property. Captain O'Mara indicated that the warehouse will be situated on the Rhode Island Army National Guard's property only. Captain O'Mara indicated that the warehouse will be constructed in the parking lot area of the Bristol Armory Building. A motion stating that the State Properties Committee will forward a letter of support to the Department of Attorney General relative to this item was made by Mr. Pagliarini and seconded by Mr. Woolley.

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 Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

---

Holly H. Rhodes, Executive Secretary