

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, SEPTEMBER 18, 2007

The meeting of the State Properties Committee was called to order at 10:05 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard B. Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members and Xaykham Khamsyvovong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Nathan Myers from the Rhode Island Office of the General Treasurer; Robert C. Bromley from the Rhode Island Senate Fiscal Office; John Ryan and Michael Mitchell from the Rhode Island Department of Administration; Paul Carcieri, William McCarthy, Robert B. Jackson, Eva Bernardo and Maureen McMahon from the Rhode Island Department of Transportation; Lisa Primiano from the Rhode Island Department of Environmental Management; Richard J. DeFino, Jr. and Donna Broccoli from the Rhode Island Department of Corrections; Mark Russo from Ferrucci Russo, P.C.; Bernard A Jackvony from Moses • Afonso • Jackvony, Ltd.; George Mason from the Little Compton Agricultural Conservancy Trust and Steve Peoples from the Providence Journal.

A motion was made to approve the regular minutes of the State

Properties

Committee meeting held on Tuesday, September 4, 2007, by Mr. Pagliarini and

seconded by Mr. Woolley.

Passed Unanimously

A motion was made to approve the Executive Session minutes of the State Properties Committee meeting held on Tuesday, September 4, 2007, by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Chairman Flynn noted for the record that the State Properties Committee did have a quorum present.

The next scheduled meeting of the State Properties Committee will be held on

Tuesday, October 2, 2007, at 10:00 a.m.

ITEM A – Department of Corrections – A request was made for permission to initiate lease negotiations with the Urban League of Rhode Island for office space located at 234 Prairie Avenue in the City of Providence for the Adult Probation and Parole Unit. Mr. Ryan indicated that on May 29, 2007, the Department of Corrections appeared before the State Properties Committee seeking permission to advertise for office space in the Providence Area. Subsequently,

the Department of Corrections advertised and received two (2) proposals one of which did not conform to the requirements set by the Department of Corrections in its advertisement. Mr. Ryan indicated that the Department of Corrections is now before the Committee seeking permission to initiate negotiations with the Urban League of Rhode Island for office space located at 234 Prairie Avenue in the City of Providence. Mr. Pagliarini asked if a childcare facility operates from the subject premises. Mr. Ryan indicated that there is an existing daycare facility on the premises. Mr. Pagliarini asked if the Department of Corrections is concerned by the existence of the daycare facility. Mr. Ryan explained that when the Department of Corrections viewed the site, the issue of the daycare facility was raised. Mr. DeFino indicated that the landlord is very cognizant of the issues associated with the Adult Parole and Probation Unit and the landlord does not believe the daycare facility will present a problem as it is a secured separate unit. Mr. Griffith asked where the Adult Parole and Probation Unit is presently located. Mr. DeFino indicated that the Adult Parole and Probation Unit operates from two separate locations; the Providence Superior Court and the Garrahy Judicial Complex. However, due to expanding services offered by the courts, the Department of Corrections is being crowded out of its current space. Mr. DeFino explained that the Department of Corrections is responsible for the supervision of approximately 7,000 offenders in the Providence area. As a result, the Adult Probation and Parole unit's staff has doubled and in some instances tripled. Mr. DeFino explained that it is imperative that the Adult Probation and

Parole Unit be located in the communities where the offenders reside.

Mr. Pagliarini stated that he is familiar with the subject property and indicated that it is along a bus route and has sufficient parking available. Chairman Flynn indicated that he is not entirely comfortable with the idea of the Adult Probation and Parole Unit being located in such close proximity to a childcare facility. Chairman Flynn recommended that the Department of Corrections thoroughly investigate the issues of compatibility relative to the proposed site and be prepared to present detailed information regarding potential conflicts. Mr. Ryan indicated that the Department of Corrections will consult with the licensing authority, which licenses daycare facilities in order to determine whether there is a conflict in that regard. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement between the State of Rhode Island and the Little Compton Agricultural Conservancy Trust for property located along Peckham Road in the Town of Little Compton, known as Peckham Farm. Ms. Primiano provided the Committee with a map and photographs of the subject property. Ms. Primiano explained that the Department of Environmental Management is seeking approval of a Conservation Easement over 27.76 acres of land located in the Town of Little Compton. Ms. Primiano explained that this request is the result of an Open Space Grant, which was awarded to the Little Compton

Agricultural Conservancy Trust in 2006. The appraised value of the Conservation Easement is \$1.1 million dollars. The State of Rhode Island will contribute \$400,000 toward the purchase price and the Little Compton Agricultural Conservancy Trust will contribute the remaining \$700,000. Ms. Primiano asked Mr. Mason to explain to the State Properties Committee how the Little Compton Agricultural Conservancy Trust obtains and applies funds for land conservation. Mr. Mason explained that the Little Compton Agricultural Conservancy Trust assesses a fee of four (4%) percent for the transfer of ownership of all real property located in the Town of Little Compton. However, Mr. Mason indicated that there is a \$350,000 threshold and any real property purchased for an amount less than \$350,000 does not require payment of the four (4%) percent fee. Mr. Mason indicated that on an annual basis the Little Compton Agricultural Conservancy Trust realizes approximately \$1 million dollars in revenue in conjunction with the four (4) percent fee. Mr. Mason indicated that the Little Compton Agricultural Conservancy Trust also relies on programs such as the Department of Environmental Management's Open Space Grant Program in order to acquire property. Mr. Mason indicated that the Peckham Farm has been owned by the Peckham family since approximately 1670. The Peckhams are currently in their late 80s and are involved in preparing their estate plan. Although the best opportunity for the Peckhams may have been to sell the subject property to a developer as the land could potentially support nine (9) buildable house lots, they chose to approach the Little Compton Agricultural Conservancy Trust as the

Peckhams will obtain a fair value for the subject property while leaving something for posterity. Mr. Mason indicated that Peckham Road is one of the few places that has not seen a lot of development. Mr. Mason explained that this parcel of land backs up on the Watson Reservoir and provides a wetland buffer and water recharge area for the drinking water supply of the City of Newport as well. Chairman Flynn asked if the land behind the subject property is protected as well. Mr. Mason indicated that the eight (8) acre parcel of land located to the east of the subject property was sold to the Newport County Water Authority a few years ago. The Sackonnet Vineyard is located behind the subject property. The Little Compton Agricultural Conservancy Trust currently has an application from Mr. & Mrs. Sampson, who own the vineyard, to preserve their developments rights to the reservoir as well. Mr. Mason indicated that two weeks ago, the Little Compton Agricultural Conservancy Trust hosted the “Cooking for Conservation” fund raising event to raise funds for the Sackonnet Vineyard property. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for review and

execution of a License Agreement by and between the State of Rhode Island and Rhode Island Hospital, Inc. for use of approximately 24,840 square feet of land located on the easterly side of Eddy Street at the Eddy Street off ramp from Interstate Route 95SB, in the City of Providence. Mr. Jackson explained that Rhode Island Hospital, Inc.

has been leasing the subject property from the State of Rhode Island for the past several years for the purpose of parking and beautification. The State of Rhode Island will receive \$4,100 per month in rental income, for a total of \$49,200 per annum. Chairman Flynn asked how the value of the land was determined. Mr. Jackson explained that both the Department of Transportation and Rhode Island Hospital, Inc. obtained appraisals of the property and the Department's appraisal prevailed. Mr. Jackson indicated that the license fee was \$1,620 per month and has been increased by \$2,480 per month. Chairman Flynn asked why the Department of Transportation does not sell the subject property. Mr. Jackson explained that the Department is examining a possible sale of the subject property at this time. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM D – Department of Transportation – A request was made for approval of and signatures on a Permanent Loop Detector Easement Agreement between Lanmar Corporation and the State of Rhode Island. Ms. McMahon indicated that the Permanent Loop Detector Easement Agreement has been approved by the Department of Transportation's Traffic and Design Section via a physical alternation permit and by the City of Pawtucket. The loop detector will be installed at 139 Cottage Street in the City of Pawtucket, in the area of a Super Stop & Shop. The Department of Transportation has obtained the easement to maintain the loop detector in the event of any future problems. Ms. McMahon indicated that there is no

monetary compensation required relative to the Permanent Loop Detector Easement Agreement. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of and signatures on a Temporary Use Agreement by and between Elizabeth S. and Michael C. Risks and the State of Rhode Island to complete pavement work on Great Road in Lincoln. Ms. McMahon explained that the Temporary Use Agreement will allow the Department of Transportation to pave a parking lot in order to alleviate storm water runoff on the property. Ms. McMahon indicated that there is no monetary compensation associated with the Temporary Use Agreement. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley. Mr. Kay recused himself from voting relative to this item. The motion to approve passed four (4) votes “Aye” and one abstention.

Passed Four Votes Aye

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Temporary Use Agreement by and between the BAF Properties, LLC and the State of Rhode Island to complete pavement work on Great Road in Lincoln. A motion was made to approve by Mr. Griffith and seconded by Woolley.

Passed Unanimously

ITEM G – Department of Transportation – A request was made for review and execution of an Assignment of License Agreement and Lease

Agreement from Deeble Holdings, LLC to Wampanoag Boyd, LLC regarding property located along Route 114 in the City of East Providence. Mr. Carcieri introduced Bernard Jackvony, legal counsel for Deeble Holdings, LLC. Mr. Carcieri indicated that the Department of Attorney General has requested that that the Assignment of License Agreement and Lease Agreement be revised to include the following language “and obligations and responsibilities”. Mr. Carcieri provided the Executive Secretary with a substitute page for each of the Agreements. Mr. Carcieri explained that Deeble Holdings, LLC utilizes the subject property for vehicle parking for its adjacent apartment complex. Mr. Woolley noted that that the revised language of the amended Consent to Assignment of License Agreement and Lease Agreement appears in the WHEREAS clause; however, said language is not contained in the NOW, THEREFORE clause of the document. Mr. Woolley indicated that to the extent that the Consent to Assignment of License Agreement and Lease Agreement are approved, he recommends that said approval be subject to the understanding that Deeble Holdings, LLC is not only obtaining an assignment of rights and benefits, but also the obligations and responsibilities. Mr. Woolley asked who the principal officers of Wampanoag/Boyd LLC are. Mr. Carcieri indicated that a Certificate of Disclosure of Limited Liability Company was provided to the State Properties Committee as part of the presentation package. Mr. Woolley inquired whether the individual listed as the manager is the also the owner of Wampanoag/Boyd LLC. Mr. Jackvony explained that Wampanoag/Boyd LLC is a Massachusetts entity, which owns

property in New England area and has negotiated a purchase of this property from Deeble Holding, LLC. Mr. Jackvony indicated that a closing of the property is scheduled to take place within several days.

Mr. Woolley asked whether Mr. Percelay, who is listed as the manager of Wampanoag/Boyd LLC is the owner of the company. Mr. Jackvony indicated that he would provide Mr. Carcieri with any information the company obtains as a result of its due diligence relative to the sale of the property. A motion to approve was made by Mr. Pagliarini, subject to the revision of the language requested by Mr. Woolley and subject to the submission of information regarding ownership of Wampanoag/Boyd LLC by Mr. Jackvony, and seconded by Mr. Kay.

Passed Unanimously

ITEM H – Department of Transportation – A request for conceptual approval to

to convey approximately 39,015± square feet of vacant land located at the intersection of Route 122 and Hamlet Avenue in the City of Woonsocket. Mr. Carcieri explained that one of the property's abutters, Robert Moretti, approached the Department of Transportation to purchase the subject property. Mr. Carcieri indicated Landmark Medical Center is also an abutting property owner. Mr. Carcieri explained that the subject property is raised approximately thirty (30') feet from the grade of the road and has considerable ledge, which makes access from Route 122 problematic and expensive. However, the subject property can be directly accessed from both Mr. Moretti and Landmark Medical Center's

property. Mr. Moretti wishes to purchase the subject property for the expansion of this medical building and for additional vehicle parking. Mr. Carcieri noted that the subject property exceeds the City of Woonsocket's requirements for being a buildable, stand alone parcel of land. Chairman Flynn asked what method the Department of Transportation will utilize to sell the subject property. Mr. Carcieri indicated that in view of the two abutting landowners, the Department of Transportation will employ either a public auction or the request for proposals process to sell the subject property. Mr. Carcieri reiterated that the subject parcel of land is heavily ledged. Chairman Flynn commented that as property values rise, ledge becomes less of an issue. Mr. Griffith asked if the Department of Transportation has been provided with copies of the intergovernmental review comments. Mr. Carcieri stated that the Department of Transportation is in receipt of the comments from the Statewide Planning Program and said comments will be factored into the Request for Proposals documents as well as the deed of conveyance. Mr. Griffith clarified that the conveyance of the subject property will be conditioned on "the retention and permanent preservation of a significant landscaped buffer area between the adjoining Route 122 and any improvements on the parcel. In addition, the normal restrictions against outdoor advertising and highway oriented signage should be included in the conveyance." Mr. Carcieri stated that the conveyance of the subject property would be conditioned upon Statewide Planning Program's advisory report. A motion was made to approve subject to the aforementioned comments of the Statewide Planning

Program by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM I – Department of Transportation – A request was made for approval of a bid award for the purchase of approximately 6,300 square feet of land located at Westminster Street and Stewart Street in the City of Providence. Mr. Carcieri explained that on August 1, 2007, the Department of Transportation received three bids for a 6,300 square foot parcel of vacant land at the intersection of Westminster Street and Stewart Street in the City of Providence. Approximately eleven months ago, the State Properties Committee directed the sale of the subject property via the request for proposal process. The minimum bid sought in the request for proposals was \$166,200. Said value was determined by a Department of Transportation internal appraisal. The monetary offering to the State of Rhode Island was the request for proposals' only criteria. Mr. Carcieri explained that on August 1, 2007, the Department of Transportation received the following three bids:

- 1. Marasco & Nesselbush Realty, LLC \$251,500**
- 2. 681 Westminster Realty, LLC \$210,000**
- 3. 02903 Realty Partners, LLC \$180,000**

The Department of Transportation recommends and seeks the approval of the State Properties Committee to award said bid to Marasco & Nesselbush Realty, LLC for the sum of \$251,500. Mr. Carcieri indicated that each of the above-referenced bidders posted a

\$10,000 bid surety with the Department of Transportation. The Department of Transportation is also requesting permission to award the bid to the second and third highest bidders consecutively in the event Marasco & Nesselbush Realty, LLC is unable to honor, for good cause, its commitment. Chairman Flynn asked what method was used to determine the value of the subject property. Mr. Carcieri indicated that the Department of Transportation utilized an income approach. The Department of Transportation believes the highest and best use for the subject property is parking given its very close proximity to the Down City area. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Transportation – A request for approval of and signatures on an Easement Agreement between the Department of Transportation and Michael V. D’Ambra relative to the Warwick Intermodel Train Station. Mr. Mitchell explained that the Department of Transportation is requesting conceptual approval on certain easements, which were negotiated with Michael D’Ambra. By way of background, Mr. Mitchell explained that in June of 2006, the Department of Transportation condemned a parcel of land located on Jefferson Boulevard in the City of Warwick, owned by Michael D’Ambra in conjunction with the Warwick Intermodel Train Station. In October of 2006, Mr. D’Ambra instituted a lawsuit against the Department of Transportation for the payment of additional compensation as he believed that the Department of Transportation’s

assessed value of the subject property was insufficient. The Department of Transportation was involved in ongoing negotiations with Mr. D'Ambra prior to condemnation. After condemnation of the property, Mr. D'Ambra obtained an appraisal of the subject property. The appraisal was conducted by Thomas Andolfo and valued Mr. D'Ambra's property at approximately \$1 million dollars. The Department of Transportation's appraisal valued the property at approximately \$750,000. Mr. Mitchell explained that there was also a question regarding an access easement from Mr. D'Ambra's remaining land to the future Warwick Intermodel Train Station. Mr. D'Ambra has a potential project in the works to convert his existing asphalt plant into a hotel complex. Mr. Mitchell referred to the site plan, which was provided to the State Properties Committee as part of the presentation package. Mr. Mitchell noted a building illustrated on the plan, representing the train station with a connector to the airport. Mr. D'Ambra envisions a hotel project being constructed next to the train station and has requested the Department of Transportation's permission to construct a skywalk connection between the hotel complex and the train station complex. Mr. Mitchell reiterated that a lawsuit is pending against the Department of Transportation by Mr. D'Ambra. Mr. Mitchell indicated that the lawsuit contains several issues. The parties to the lawsuit agreed that it would be in their best interest to seek voluntary mediation in order to resolve the issues. The parties requested that retired Chief Justice Weisberger of the Supreme Court serve as the mediator, which he agreed to do. As a result of the mediation, the parties were able to resolve both the issue

of valuation of the property, as well as a valuation for the future skywalk and/or ground easement access to the train station. Said resolution is set forth in the Consent Order also included in the presentation package. Mr. Mitchell indicated that through mediation with Justice Weisberger the current value of the easement is determined to be \$475,000 and that the Department of Transportation will agree to allow Mr. D'Ambra to pay that sum over the course of 7½ years at the rate of \$63,333.00 per year. The value of the skywalk easement was based upon a 300 room hotel. In the event the hotel obtains approval for and is build with more than 300 rooms, the Department of Transportation will receive an additional \$1,500 for each room over 300 rooms. In the event the hotel is constructed with less than 300 rooms, there will be no discount associated with the value of the easement. Mr. D'Ambra has the option to construct either a sky easement or a ground easement. In the event Mr. D'Ambra chooses to construct a ground easement, the value of said easement will be \$50,000. Mr. Mitchell explained that if Mr. D'Ambra does not build the hotel, he is not obligated to pay any amount. Mr. Mitchell indicated that the Department Transportation will also give Mr. D'Ambra a ten (10') foot easement along the northern boundary of the parcel of land taken by the Department of Transportation to allow better circulation from his property to Jefferson Boulevard. Mr. D'Ambra is in turn giving the Department of Transportation a construction easement on his property at no cost. Lastly, Mr. D'Ambra will grant the Department of Transportation an easement across his property for the demolition of a building, a small portion of

which remains on his property. Mitchell explained that these are conceptual easements and he and Mr. Russo will draft final form documents, which will need the final approval of the State Properties Committee. Mr. Mitchell notes that if the State Properties Committee does not approve the conceptual plan, the Mediation Agreement requires that the parties immediately continue with the lawsuit and go forward to trial in Superior Court. Chairman Flynn inquired as to the Department of Transportation's payment of \$135,000 to Mr. D'Ambra. Mr. Mitchell explained that the Department of Transportation's payment of the sum of \$135,000 to Mr. D'Ambra represents the compromise between the Department's valuation of the subject property in the amount of \$750,000 and Mr. D'Ambra valuation of approximately \$1 million dollars. Mr. Woolley asked if federal funds are involved in the settlement. Mr. Mitchell explained that federal funds are involved as the property was acquired with federal highway funds and therefore, the Federal Highway Administration will participate in the payment of the \$135,000. Mr. Woolley asked if the Federal Highway Administration is satisfied with result of the mediation. It is Mr. Mitchell's understanding that Director Williams discussed the resolution of this matter with the Federal Highway Administration and it is in fact satisfied with the resolution. Mr. Woolley asked if the Department of Transportation is satisfied that it has acquired all necessary property for the Warwick Intermodal Train Station. It is Mr. Mitchell's understanding the Department of Transportation has acquired all property necessary for the construction of the Warwick Intermodal Train Station. A motion was

made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:43 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary