

STATE PROPERTIES COMMITTEE MEETING

FRIDAY, DECEMBER 21, 2007

The meeting of the State Properties Committee was called to order at 10:11 a.m. by Chairman Robert K. Griffith. Other members present were John Ryan representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio and Representative Raymond Gallison from the Rhode Island House of Representatives; Meredith Holderbaum from the Rhode Island Senate Fiscal Office; Robert B. Jackson, John Glynn, Daniel Clarke and Marc Malkasian from the Rhode Island Department of Transportation; Mary E. Kay and Lisa Primiano from the Rhode Island Department of Environmental Management; Michael D. Mitchell and Kevin Nelson from the Rhode Island Department of Administration; Deborah Barclay from the Rhode Island Department of Human Services; Carol Conley from the Rhode Island Film and Television Office; Lyn Small from Northeast Engineers & Consultants, Inc.; Robert Martin, Chief, from the Town of Bristol Fire Department; Jeanne Scott from the law firm of Ursillo, Teitz and Ritch, Ltd.; Colin Walsh from Hachiko Productions, LLC. Chairman Griffith 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, January 8, 2008, at 10:00 a.m.

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

Committee meeting held on Tuesday, December 11, 2007, by Mr. Woolley

and seconded by Mr. Kay.

Passed Unanimously

A motion was made to approve the Executive Session minutes of the State

Properties Committee meeting held on Tuesday, December 11, 2007, by

Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM A – Department of Environmental Management – A request was

made for approval of and signatures on a Deed to Development Rights for the acquisition of the development rights to ninety-four (94) acres of land within the Sakonnet Vineyards located in the Town of Little Compton. Ms. Kay explained that the said acquisition has been a priority of the Rhode Island Agricultural Land Preservation Commission for many years. The Department of Environmental Management previously appeared before the State Properties Committee in December 2002, relative to this matter. Ms. Kay indicated that the Little Compton Agricultural Conservancy Trust has been successful in obtaining a federal grant from the United States Department of Agriculture (“USDA”) for fifty (50%) percent of the funding for this acquisition. The Rhode Island Agricultural Land Preservation Commission voted to contribute \$500,000 toward the purchase of said development rights. Ms. Kay noted that the Rhode Island Agricultural Land Preservation Commission will be the co-holder of the development rights with the Little Compton Agricultural Conservancy Trust, which is contributing the remaining \$612,500. Ms. Kay explained that the subject property runs from West Main Road to the Watson Reservoir and is in the vicinity of several other parcels of protected farm land located within the Town of Little Compton. Ms. Kay indicated that the Little Compton Agricultural Conservancy Trust is working diligently toward closing on the sale of this property by the end of 2007, as it does not want to jeopardize the funding and for tax considerations for Sakonnet Vineyards, LP. Ms. Kay noted that Sakonnet Vineyards, LP operates a vineyard, which includes a retail store on the premises. Mr. Kay asked if there is

currently any deed restrictions associated with the property. Ms. Kay explained that there are currently no deed restrictions associated with the subject property. Mr. Ryan asked who conducted the appraisal of the property. Ms. Primiano indicated that the appraisal was conducted by T.W. Henry, which is an appraisal firm, with which the USDA is very familiar. Ms. Primiano indicated that in the past, the Department of Environmental Management has experienced some difficulty obtaining the USDA's approval of certain property appraisals. Therefore, the Department is trying to utilize appraisal firms, with which the USDA is familiar in order to avoid any further problems. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM B – Department of Human Services – A request was made for conceptual and final approval for the sale of a portion of the Department of Human Services, Rhode Island Veterans Home property to the Town of Bristol for the expansion of the Bristol Fire Station. Ms. Barclay furnished the Committee with a revised deed relative to the subject property. Ms. Barclay explained that the deed initially prepared was a Warranty Deed; however, the Department of Attorney General requested that the Department of Human Services prepare a Quit Claim Deed rather than a Warranty Deed. Ms. Barclay indicated that the subject property is situated very near the Town of Bristol Fire Station. The subject property will be transferred to the Town of Bristol for a nominal fee of \$1.00 for the expansion of the fire

station. This conveyance will allow the Town of Bristol Fire Department to encompass three additional rescue vehicles and additional fire fighting apparatus. Ms. Barclay indicated that Department of Human Services believes the conveyance of the subject property is in the best interest of the Veterans Home as more rescue vehicles will be available and be nearer to the Veterans Home in the case of an emergency. In the event of a catastrophic fire at the Veterans Home, the Bristol Fire Department's will be able to respond immediately. Ms. Barclay indicated that the Department of Human Services received a letter from the Veterans Committee, which indicates that its members support the conveyance of the subject property to the Town of Bristol. Ms. Barclay indicated that the Special House Commission instituted a moratorium regarding any construction on the Veterans Home property. However, the Special House Commission, which is conducting a comprehensive study of the Rhode Island Veterans Home property, specifically exempted the Town of Bristol Fire Department, as the Town of Bristol had previously requested the transfer of the subject property for the expansion of the fire station. Ms. Barclay presented a three dimensional plan of the fire station for the State Properties Committee to view. Mr. Woolley asked how much land is involved in this conveyance. Ms. Scott indicated that 51,000 square feet of land is being conveyed to the Town of Bristol. Ms. Scott provided the Committee with a site plan for its review. Mr. Ryan asked Chief Martin to clarify whether the expansion of the fire station will result in three additional rescue vehicles being housed at this facility. Chief Martin

stated that three additional rescue vehicles will be housed at the subject facility. Chief Martin indicated that the Town of Bristol Fire Department currently has three rescue vehicles; however, two of its rescue vehicles are housed in a building that was constructed in the early 1900s. Chief Martin explained that the building is very narrow, which makes it difficult to open the doors and enter the vehicles, which obviously slows response time. Chief Martin indicated that a third rescue vehicle is housed at the northern end of the Town of Bristol. Chief Martin explained that the expansion of the fire station will consolidate all the rescue vehicles to one location. Mr. Woolley noted that previously a proposal was presented to the State Properties Committee by Operation Stand Down to construct housing units for homeless and/or disabled veterans and their families on the Veterans Home property. Representative Gallison indicated that said proposal involved another portion of the Veterans Home property. Representative Gallison indicated that the Special House Commission is presently developing a comprehensive plan relative to the Veterans Home property and whether a new facility should be constructed or the existing facility should be rehabilitated. The Special House Commission has asked that no housing be constructed on the Veterans Home property until such time as a comprehensive plan is prepared with the exception of the Bristol Fire Station. Representative Gallison also indicated that the expansion of the fire station will not interfere with the construction of a new Veterans Home or the rehabilitation of the existing facility. Mr. Woolley asked if there will be sufficient property available to

accommodate additional housing units for homeless and/or disabled veterans and their families on the grounds of the Veterans Home property once this 51,000 square feet of land is transferred to the Town of Bristol. Representative Gallison stated that additional housing could be accommodated on the remaining land at the Veterans Home site. Representative Gallison indicated that the 51,000 square foot portion of land being transferred to the Town of Bristol will not interfere with the construction of a new or rehabilitated Veterans Home. Mr. Ryan commented that Ms. Barclay has done a commendable job of presenting this matter to the State Properties Committee. Mr. Ryan indicated Ms. Barclay has provided comprehensive information and history, especially concerning Kenneth Carters' Special House Commission, which is a critical issue relative to the transfer of the subject property to the Town of Bristol. Mr. Kay asked when the comprehensive plan for the Veterans Home property will be complete. Representative Gallison indicated that the Special House Commission presently has a comprehensive plan in place; however, said plan has not been finalized. The Special House Commission anticipates that legislation regarding the construction of a new Veterans Home will go to the voters as soon as 2008. There are presently two proposals being considered. One to construct a new Veterans Home toward the easterly side of the property; however, the cost factor may be too great at this particular time. The other proposal is to rehabilitate the existing Veterans Home and expand it toward the westerly side of the property. Representative Gallison stated for the record that the State Properties Committee's approval

of this request to transfer the subject property to the Town of Bristol for expansion of the fire station is extremely important to people of the Town of Bristol. Representative Gallison indicated that the expansion of the fire station will greatly improve the response time to any given emergency, as it will allow for easier and more expeditious access to rescue vehicles and emergency apparatus. Representative Gallison also stated that the proposed expansion will provide a state-of -the-art training facility for the Bristol Fire Department. A motion was made to approve by Mr. Ryan and seconded by Mr. Woolley.

Passed Unanimously

ITEM C – Department of Transportation – A request for approval of and signatures on a Temporary Use Agreement by and between Catherine J. and Thomas F. Flaherty and the Department of Transportation. This item was removed from the State Properties Committee until further notice at the request of the Department of Transportation.

ITEM D – Department of Transportation/Film and Television Office – A request was made for approval of a Letter of Authorization to allow Hachiko Productions, LLC to utilize the Woonsocket Depot to film the feature film “Hachiko.” Mr. Malkasian explained that “Hachiko” is a feature film starring Richard Gear. Hachiko Productions is seeking permission to utilize the Woonsocket Depot from January 2, 2008, through April 1, 2008. Mr. Malkasian indicated that the actual filming will commence on or about January 16, 2008. However, the Department of Transportation is allowing Hachiko Productions, LLC

time to set up and breakdown its equipment and sets. The Department of Transportation has coordinated with the City of Woonsocket's Mayor, Public Works Director and the Economical Development staff regarding Hachiko Productions' use of the Woonsocket Depot for purposes of filming. The Department of Transportation has also coordinated with the Blackstone Valley Heritage Commission, which is housed within the Depot itself and the Rhode Island Historic & Preservation Commission regarding the preparation of the Letter of Authorization. Mr. Malkasian indicated that additionally, the Department of Transportation is undertaking a design project, which will significantly enhance the Woonsocket Depot. Mr. Ryan indicated that not all the members of the State Properties Committee received a complete package of information regarding this request. Ms. Rhodes, Executive Secretary of the State Properties Committee, indicated that although Mr. Malkasian submitted the Letter of Authorization and related documents in a timely manner, there was some question as to whether the Letter of Authorization was in its final form. Therefore, Ms. Rhodes delayed forwarding said document to the Committee in order to avoid circulating an incorrect version. Mr. Woolley indicated that he received a copy of the Letter of Authorization and related documents and is satisfied with the same. Copies of the Letter of Authorization and related information were provided to each of the members of the State Properties Committee inclusive of a photograph of the Woonsocket Depot. Mr. Malkasian explained that the Letter of Authorization references two construction contacts, which were to be

completed by the Department of Transportation, but will now be completed by Hachiko Productions as a result of its use of the Woonsocket Depot. Mr. Malkasian referred to a non-historic concrete slab, which is presently situated on top of a historic wall and explained that Hachiko Production has agreed to remove said concrete slab, which will save the Department of Transportation a significant amount of money. Mr. Malkasian noted that Hachiko Productions will have the concrete slab removed under the direction of the Department of Transportation and in accordance with the Historic Preservation staff's specifications. Mr. Malkasian also referenced a drainage structure located on Hill Street and indicated that Hachiko Productions has agreed to install a berm, which will stop the flow of water from running down the wall onto the surrounding property. Mr. Malkasian indicated that the Department of Transportation has consulted with the City of Woonsocket extensively relative to these improvements. Hachiko Productions' employees will be allowed to use the restroom facilities located in basement of the Depot, which are accessible through a separate outside entrance in order to avoid additional traffic through the Depot itself. Mr. Malkasian indicated that there has been some discussion regarding landscaping to be completed by Hachiko Productions in the future. The Department of Transportation is charging Hachiko Productions an administration fee of \$2,000 as compensation for the time expended to coordinate the use of this facility and to cover the cost of water resulting from its use. Mr. Kay asked if all appropriate insurance coverage is in place. Mr. Malkasian indicated that Hachiko

Productions has obtained all necessary insurance coverage and has submitted a Certificate of Insurance evidencing the same. A motion was made to approve by Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

ITEM E – Department of Transportation – A request was made for approval of and signatures on a Purchase& Sale Agreement by and between the Department of Transportation and Glen Hill, LLC for the sale of approximately 28,287 square feet of property located in the City of Cranston. Mr. Mitchell provided an aerial photograph of the subject property for review by the Committee. Mr. Jackson explained that the Department of Transportation issued a Request for Proposals in August of 2007. The Department of Transportation received only one offer in the amount of \$171, 500, which exceeded the minimum bid amount by \$1,500. A motion was made to approve by Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

ITEM F – Department of Transportation – A request was made for approval and execution of the Tenth Amendment of Lease Agreement between the Rhode Island Department of Transportation and T-Mobile USA, Inc. d/b/a Omnipoint Communications, Inc. Mr. Jackson explained that the Tenth Amendment of Lease Agreement will allow T-Mobile USA, Inc. to install equipment on an existing tower owned by the Department of Transportation located at Mulligan’s Island in the City of Cranston. Mr. Jackson noted that the State of Rhode Island realizes revenue in the amount of approximately \$270,000, which is utilized to obtain matching federal funds. By way of

background, Mr. Jackson noted that shortly after the enactment of the Telecommunications Act in 1996, T-Mobile USA, Inc. approached the State of Rhode Island and offered to lease twelve tower sites from the Department of Transportation whether or not it utilized said sites. As a result of said Tenth Amendment of Lease Agreement, T-Mobile now utilizes eight (8) of the twelve (12) sites. Mr. Jackson indicated that there are four (4) remaining sites without towers; therefore, he anticipates he will be returning to the State Properties Committee relative to these sites. Mr. Jackson indicated as T-Mobile has been charged a lease fee for the past ten (10) years, the State of Rhode Island will not receive any additional revenue unless T-Mobile places a co-locater at the site. Mr. Jackson explained that if a co-locater is placed at the site, the State of Rhode Island will then receive fifty (50%) percent of any revenue realized by T-Mobile relative to said co-locater. Mr. Woolley clarified that T-Mobile presently has its equipment in place on the tower and in the event T-Mobile subleases this tower and equipment, the State of Rhode Island will receive fifty (50%) of the rental fee received by T-Mobile USA, Inc.. Mr. Woolley asked if any of the other sites have been subleased by T-Mobile USA, Inc. Mr. Jackson referred to a statement regarding the subleasing of the existing sites and indicated that the State of Rhode Island presently receives \$45,900 as a result of co-locater fees. Mr. Jackson indicated that presently the State of Rhode Island receives 18,600 per tower; however, in accordance with the Consumer Price Index said amount will be increased to an amount in excess of \$21,000 per tower. Mr. Jackson indicated that the Land Sales Committee recently

approved the placement of a tower at the intersection of Route 1 and Route 138 location and the Department of Transportation will be seeking the approval of the State Properties Committee in the very near future. Mr. Ryan noted that the original Lease Agreement is for a term of five (5) years with three (3) five (5) year renewal options. Mr. Ryan asked whether the additional renewal terms are automatic or whether the Department of Transportation will be returning to the State Properties Committee seeking approval of the second renewal option. Mr. Jackson indicated that in accordance with the original Lease Agreement, the second and third renewal options are automatic. Mr. Ryan asked if the CPI adjustment is applied on an annual basis. Mr. Jackson stated that the CPI adjustment is implemented on a five (5) year basis. A motion was made to approve by Mr. Woolley and seconded by Mr. Ryan.

Passed Unanimously

Mr. Jackson respectfully requested that the State Properties Committee execute three (3) of the five (5) Tenth Amendment to Lease Agreement, as T-Mobile asked that three (3) original executed documents be returned to them at the conclusion of the meeting. The State Properties Committee agreed to execute the documents immediately in order to facilitate T-Mobile's request.

ITEM G – Department of Transportation – A request was made for conceptual approval to convey approximately 5,000 square feet of land located along Forge and Ives Roads in the Town of East Greenwich. Mr. Clarke explained that there are two abutters to the subject property. One is a multi-family dwelling and the other is a

business known as Fat Belly's Pub. Mr. Clarke noted that Fat Belly's Pub is a fairly new establishment. Fat Belly's Pub recently approached the Town of East Greenwich seeking permission to offer outdoor seating to its guests. However, there was a question regarding parking and available parking spaces. This new tenant then approached the Department of Transportation seeking permission to allow vehicle parking on the subject property. Mr. Clarke explained that the Department of Transportation then conducted a site investigation. At the conclusion of the Departments of Transportation's investigation, it was determined that the subject property was being encroached upon. Mr. Clarke indicated that at that time the Department of Transportation notified both of the abutters, Mrs. Zenga and the owner of Fat Belly's Pub, Robert Clark that they were encroaching upon State-owned property. The abutters were informed that at the very least they would be required to lease the subject property; however, Mr. Clarke indicated that he strongly recommended the sale of the property, as the Department of Transportation has deemed said property surplus to the Department's needs. Therefore, the Department of Transportation is seeking conceptual approval for the sale of the property. Mr. Woolley noted that the State Properties Committee has clearly established a precedent of determining a fair market rental value for encroachments upon State-owned property based upon the size of the property together with the duration of the encroachment. Once a fair market value has been determined, the purchase price of the property is adjusted to reflect the back rent for said encroachment.

Mr. Clarke indicated that as Fat Belly's Pub is a fairly new tenant, it will be difficult to obtain back rent for the existing encroachment. Mr. Griffith indicated that if Fat Belly's Pub is a new tenant; that implies there is an owner and it is the owner that will be held responsible for the payment of the back rent. A motion to grant conceptual approval subject to the Department of Transportation establishing a fair market value for the back rental payments due as a result of said encroachment upon the subject property by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee,

the meeting was adjourned at 10:55 a.m. A motion was made to adjourn by Mr. Woolley

and seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary