

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JULY 8 2008

The meeting of the State Properties Committee was called to order at 10:02 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith 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 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; Meredith Holderbaum from the Rhode Island Senate Fiscal Office; Robert Jackson and Maureen McMahon from the Rhode Island Department of Transportation; John Faltus, Steven Wright and Joseph Dias from the Rhode Island Department of Environmental Management; Kartik Naram from the Rhode Island Office of the General Treasurer; Ronald A. Cavallaro Hope Schachter from the Rhode Island Board of Governors for Higher Education; J. Vernon Wyman from the University of Rhode Island; Benjamin Cople and Valentino Lombardi from the Rhode Island Department of Labor and Training; John Conti from the Rhode Island House of Representatives; Mary Madden and Robert Burgess from the J. Arthur Trudeau Memorial Center; Steven Cabral from Crossman Engineering; William Ferland from the

Community College of Rhode Island; Jeffrey Steven and Edward Brady from the Rhode Island College

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

The regular and Executive Session minutes of the State Properties Committee meeting held on July 8, 2008, were deferred to the July 22, 2008, meeting of the State Properties Committee.

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

Tuesday, July 22, 2008, at 10:00 a.m.

ITEM A – Department of Administration – Veterans Memorial Auditorium’s transition from Veterans Memorial Auditorium Foundation to Rhode Island Convention Authority. (Representatives from the Veterans Memorial Auditorium Foundation, the Department of Administration and the Convention Center Authority) Item A was deferred to a future meeting of the State Properties Committee at the request of all interested parties.

ITEM B – Department of Environmental Management – A request was made for approval to work with the Division of Purchases to solicit bids for new five (5) year concession contracts for the following State Beaches and Parks: Beaches: Scarborough North and South in Narragansett; Captain Roger W. Wheeler in Narragansett; East Matunuck in South Kingstown and Misquamicut in Westerly; Parks: Goddard Memorial in Warwick; Lincoln Woods in Lincoln; Colt in Bristol and Brenton Point in Newport. Mr. Faltus explained that the Department of Environmental Management is currently in the final

year of the five year concession contract at each of the above-referenced locations. The Department of Environmental Management is seeking permission from the State Properties Committee, as it has done in the past, to work with the Division of Purchases to solicit bids for new five year concession contracts at said four said park and beach locations. The Department of Environmental Management has submitted to the Committee copies of the proposed terms and conditions for each of the concession contracts stipulating the minimum bid for each concession contract. Mr. Faltus indicated that the fifty percent of the successful minimum bid will be paid to the State of Rhode Island and the remaining fifty percent will be utilized toward capital improvements at the facilities. Chairman Flynn asked Mr. Faltus to explain why the minimum bids vary so greatly. Mr. Faltus indicated that the minimum bids vary due to the size and scope of the various concessions. The minimum bid is based upon the size of the actual concession space that is available and the amount of business that can be generated at each facility. For example, Colt State Park does not have a fixed building and therefore, it is suitable for a portable concession only. Chairman Flynn asked if any part of the process in which the product being offered is evaluated. Mr. Faltus indicated that in accordance with the terms and conditions of the concession contract the Department of Environmental Management retains the right to deny permission to sell any product that the Department for whatever reason deems unsuitable for sale. Hypothetically, Chairman Flynn asked if the Department of Environmental Management receives two

bids; one being \$5,000 less than the other bid; however, the offering of the concessionaire bidding less are of substantially greater quality, how does the Department of Environmental Management determine, which of the bid is the more prudent choice. Mr. Faltus indicated that the Department of Environmental Management certainly considers the quality of a bidder's product; however, in the current fiscal times, the Department is looking to maximize the potential financial returns from these concessions. The Department of Environmental Management primary goal has always been to maximize the financial return to the State of Rhode Island by selecting the highest bidder. The exception of course would be if the highest bidder has not had a great deal of experience or if there has been problems associated with the concessionaire in the past. Mr. Faltus noted these concessions are seasonal in operation and consist of approximately one hundred days of operation. Therefore, they appeal to small local vendors. In the past, the State Properties Committee requested that Department of Environmental Management solicit bids for all the concession contracts concurrently in an attempt to attract a larger more reputable entity such as Friendly's Ice Cream. However, the Department of Environmental Management was never successful in attracting a larger vending company to operate all of the concessions due to the seasonal nature of these operations. These operations have continually attracted smaller scale local vendors. Mr. Pagliarini asked if the Department of Environmental Management knows the total amount of income generated by these concession stands. Mr. Faltus indicated that he does not have that information readily

available at this time. Mr. Pagliarini asked in view of the lack of said information, what method is used to establish a minimum bid. Mr. Faltus indicated that the Department of Environmental Management basis the minimum bid on twenty five years of experience and these particular bids were increased by five percent over the bid previously solicited five years ago. Mr. Faltus indicated that these contact are very competitive. The Department of Environmental Management typically received three to four venders bidding for each location. Mr. Faltus indicated that in the past the Department of Environmental Management has attempted to base the minimum bid on the previous gross income of the concession; however, to be perfectly honest it did not work out too well. It proved to be an extremely cumbersome method. Mr. Pagliarini indicated that it would be interesting to know how much profit a concessionaire is actually generating on a \$47,000 bid. Mr. Kay asked if there is one blanket contact for each of the concessions. Mr. Woolley stated that the form of the contracts is essentially the same; however, the terms and conditions vary to address the size and nature of each location. Chairman Flynn asked if the Department of Environmental Management's request relative to these contracts is approved today, how long before the Department returns to the Committee with the results of the bids. Mr. Wright explained that the Department of Environmental Management is hoping to have a pre-bid meeting on site prior to the conclusion of the season so that potential bidders can actually witness the operation of the concessions; therefore, the Department is aiming for some time before the end of August. A motion was made to approve

by Mr. Woolley and seconded by Mr. Griffith

Passed Unanimously

ITEM C – Board of Governors for Higher Education – A request was made for approval of and signatures on a Site License Agreement for a Transmission and Receiving Antenna serving the Rhode Island Statewide Communications Network. Mr. Wyman indicated that the Board of Governors for Higher Education is before the Committee today seeking approval of a Memorandum of Agreement and Site License by and between the Rhode Island Emergency Management Agency, the State of Rhode Island and the Board of Governors for Higher Education. The subject of this request is an antenna placement site on the University of Rhode Island’s water tower at the Kingstown Campus. This is both a transmission and receiving antenna is a critical link in emergency communication network serving the State of Rhode Island. Mr. Wyman explained the University of Rhode Island, the local communities and both police and fire departments have the use of this 800 megahertz radio capability. This communications system is the standard that has been established since the 9/11 tragedy. The placement of the antenna on the Kingston Campus not only serves the State of Rhode Island as a whole and allows it to reach communities such as Hopkinton, Charlestown and Richmond, but also serves to improve the service to the University and the immediate vicinity. The grant money funding this effort originated through the Town of Narragansett and its police operation; however, as of July a transition is occurring whereby Rhode Island Emergency Management Agency

is appropriately taking over the long-term responsibility for the operation of this system. Mr. Wyman noted that the Memorandum of Agreement and Site License references the Town of Narragansett because the original contract for the installation of the antenna was between Motorola and the Town of Narragansett, but is now shifting to Rhode Island Emergency Management Agency. Rhode Island Emergency Management will have full responsibility for the permitting and the funding for the successful installation of the antenna. The Memorandum of Agreement and Site License contains indemnification provisions and non-interference clauses to ensure that the operation of this system does not interfere with any existing antenna placements or telecommunications systems located at the University. The University of Rhode Island will notify the Rhode Island Emergency Management Agency if we have any modification relative to the water tower in terms of future installation of antennas. The term of the agreement is for five (5) years with an option to include three additional five year an terms. The contract contain mutual termination provisions and protections for both parties as well as provision to ensure that the University of Rhode Island maintains this water tower and the Rhode Island Management Agency can access the site and maintain the antenna facility on behalf of the State of Rhode Island. Mr. Kay asked if there is any fee associated with the placement of this antenna. Mr. Wyman indicated that a grant in the amount of \$700,000 is associated with the placement of this infrastructure for this location; therefore, it benefits the State as well as the University to have this high level of transmission capability

available on the campus. Mr. Pagliarini asked if the antenna is for the use of the State and the University only and use of it will not be sold to any commercial entity such as AT&T or T-Mobile for instance. Mr. Steven indicated that this communications system is constructed to be non-reliant on commercial and will not be shared with any commercial entity. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Board of Governors for Higher Education – A request was made for approval of and signatures on a renewal of Ground Lease Agreement by and between the Board of Governors for Higher Education and the J. Arthur Trudeau Memorial Center for a 143,618 square foot parcel of land located on Commonwealth Avenue on the Knight Campus at Community College of Rhode Island. Mr. Cavallaro explained that since 1987 the J. Arthur Trudeau Memorial Center has leased a 143,618 square foot parcel of land located along Commonwealth Avenue on the western side of the Community College of Rhode Island’s Knight Campus. On said land, the J. Arthur Trudeau Memorial Center operates two structures; a 32,000± square foot building and another 5,000 square foot building. The original Ground Lease Agreement was approved by the State Properties Committee in 1987 and said Ground Lease Agreement with its option provisions will remain in effect until 2017. The J. Arthur Trudeau Memorial Center approached Rhode Island College regarding the inclusion of an additional parcel of land to this Ground Lease Agreement. Mr. Cavallaro indicated that Rhode Island College and

the Board of Governors for Higher Education has agreed to add a 28,000 square foot parcel of land, which abuts the J. Arthur Trudeau Memorial Center premises and be utilized for a parking and picnic area. Mr. Cavallaro explained that because of the topography of this parcel of land the J. Arthur Trudeau Memorial Center has requested a 20,000 square foot easement area for drainage and for slope maintenance due to a severe sloop on the south side of the 28,000 square foot parcel of land. Both Rhode Island College and the Board of Governors for Higher Education have agreed to grant said easement area. The original Lease Agreement provided for a rental fee in the amount of \$200 per year. Rhode Island College and the Board of Governors for Higher Education have agreed to maintain that amount moving forward even in light of the additional parcel of land. Mr. Cavallaro indicated that not only has the Lease Agreement been revised to include the additional real estate, but the Board of Governors took the opportunity to modernize the Ground Lease Agreement by updating the indemnification and insurance provisions as well as amending the option to purchase the structure upon termination of the Ground Lease Agreement. The original Ground Lease Agreement had the structure being purchased for fair market value. Mr. Cavallaro indicated that condition has been maintained; however, the Ground Lease Agreement awards a credit back to the Board of Governors for Higher Education and Rhode Island College for the fair market value of the lease hold rental for the period going back to the original Lease Agreement. Mr. Cavallaro indicated that all of the parties readily agreed to said revision. Mr. Cavallaro used a

site map and aerial photograph to illustrate the exact location and condition of the subject properties and the surrounding area. Mr. Cavallaro indicated that a buffer zone will be maintained along Commonwealth Avenue to shield the parking lot from the neighbors. Mr. Pagliarini clarified that the Board of Governors for Higher Education is extending the Ground Lease Agreement with option terms to December 31, 2027. Mr. Cavallaro explained that the Board simply added a one ten year option period to the original 2017 expiration date. Mr. Pagliarini asked what the 32,000 square foot structure is utilized for. Mr. Cavallaro indicated the buildings use is restricted to rehabilitation and habilitation of adults with developmental disabilities. The Ground Lease Agreement also stipulates that in the event the structure is sold the use of will remain in that parameter. Mr. Pagliarini asked if the Board of Governors for Higher Education knows what the current fair market value of the subject property is. Mr. Cavallaro indicated determining a fair market value is difficult because it is a Ground Lease containing a specific restriction. Mr. Cavallaro explained that all of the Board of Governor's ground leases are under market value as they are utilized for specific educational purposes. Mr. Woolley asked if there is any educational interaction between the College and the Trudeau Center. Mr. Cavallaro indicated there is definitely educational interaction between the College and the Trudeau Center. Mr. Woolley clarified the Trudeau Center also serves the purpose of furthering education at Rhode Island College. Mr. Cavallaro indicated that the educational component was one of the original rationales for approving the

Ground Lease Agreement back in 1987. Mr. Kay asked if the rent will be evaluated and increased periodically. Mr. Cavallaro explained that the fee of \$200 is a nominal consideration figure. Chairman Flynn asked how many individuals are served by the Trudeau Memorial Center. Ms. Madden indicated that approximately 250 disabled individuals served at the Knight Campus location. Ms. Madden explained that the Trudeau Center's major challenges concern parking and transportation as the clients require lift vans and specialized transportation to transport to the site. In regard to the perspective buyout, Mr. Pagliarini asked whether an estimated dollar value was determined. Mr. Cavallaro explained that in the event of a sale of the property, the Board of Governors would solicit appraisals to determine its value. Mr. Cavallaro indicated that the Ground Lease Agreement contains an arbitration provision in the event of any dispute of the value. Mr. Pagliarini asked if the parties agreed upon the terms of how the value of the property will be set. Mr. Cavallaro stated that parties have agreed to the terms used to determine the value of the property. Mr. Pagliarini asked what those terms are. Mr. Cavallaro stated that the terms are simply to conduct an appraisal based upon market rent for commercial entities and enter into binding arbitration if the parties do not agree on the determined value. Mr. Pagliarini indicated that the Trudeau Center does great work, but he is troubled by the option to extend the Ground Lease Agreement for another ten years. The State of Rhode Island needs its money at the termination of the Ground Lease Agreement not in the year 2027. Mr. Cavallaro explained that at the termination of the

current Ground Lease Agreement, under the existing agreement the College is required to buy the building at fair market value; thus, creating a significant expense to the College upon termination of the Ground Lease Agreement. Mr. Cavallaro indicated that being mindful of that condition the parties attempted to ease that burden on the public education system. Mr. Woolley commented that the mission of the Trudeau Center will continue into infinity. Mr. Pagliarini asked if this Ground Lease Agreement required approval by the General Assembly. Mr. Woolley stated that this Ground Lease Agreement does not require the approval of the General Assembly as the State is not leasing the property from a third party and expending funds; the State is leasing property to a third party. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith. The motion passed four votes “Aye” to one vote “Nay”.

Four (4) Votes “Aye”

Mr. Woolley

Mr. Kay

Mr. Griffith

Chairman Flynn

One (1) vote “Nay”

Mr. Pagliarini

ITEM E – Board of Governors for Higher Education – A request was

made for approval to purchase six (6) parcels of land located along Fruit Hill Avenue in the Town of North Providence from the Rhode Island College Foundation. Mr. Cavallaro explained that the Rhode Island College Foundation is a non-profit organization, which was chartered in 1965 and part of its mission is to providing funding and support for and on behalf of the College. Mr. Cavallaro presented a site map, which illustrated the exact location of the subject properties. Mr. Cavallaro explained that Rhode Island College previously owned several parcels of land on Fruit Hill Avenue and Hennessy Street. From 2000 and 2004, as other parcels were placed on the market for sale, the Foundation purchased properties on behalf of the College. At the time, the agreement was that the Board of Governors would purchase the property and the College through its Foundation would obtain title to the premises. This transaction was originally structured as a capital lease with an option to purchase. The Kushner was put forward but did not receive approval.

However, in the latest budget there were RICAP funds that were specifically granted to the Rhode Island College and the transaction was restructured to a cash purchase at that point. Mr. Cavallaro referred to the map and explained that as a result of transaction, Rhode Island College will own the majority of property along Hennessy Street and in that corner of Fruit Hill Avenue. Mr. Cavallaro indicated that the master plan of the College and in view of the new dormitories that have been built, the College is in need of an additional entrance/exit onto Fruit Hill Avenue. It is anticipated that that the entrance/exit will run through the subject parcels of land.

Using the map, Mr. Cavallaro explained the placement of the additional entrance/exit. Mr. Pagliarini expressed concern that this request is before the State Properties Committee prematurely. Mr. Pagliarini stated that a third entrance/exit onto Fruit Hill Avenue could have a very significant impact on the Town of North Providence. Therefore, Mr. Pagliarini recommended the Town of North Providence provide the Committee with written correspondence as to its position regarding this project or that the Board of Governors appears before the Planning Board relative to this project prior. Mr. Pagliarini stated that the State Properties Committee is placing the Town of North Providence in an unenviable position if we approve this request at this time. Mr. Cavalloro stated that with all due respect the Board of Governors is merely taking title to the property at this time. Mr. Cavallaro indicated that when construction of the additional entrance begins, he assumes that the State of Rhode Island will ask for the Town of North Providence's input. Mr. Pagliarini indicated that is the way the State of Rhode Island does business; however, that is not the way he conducts business, because now the State is placing the Town of North Providence in a very unenviable position. Mr. Pagliarini stated that he wants to know before his name goes on this document that the Town of North Providence supports the proposal being presented. Mr. Pagliarini stated that yes, the Board of Governors is only acquiring property and it may or may not ever this road and he understands that. Mr. Pagliarini explained that he is a land use attorney and he knows what goes on. Mr. Pagliarini indicated that he refuses to effectively bypass the local

administration at this point and let them read in the newspaper that a third entrance into Rhode Island College constructed without their blessing. Mr. Cavallaro stated that with all due respect what that does is give the Town of North Providence a veto relative to a transaction between the College and its Foundation. Mr. Cavallaro warned Mr. Pagliarini that he may not want to set that sort of precedent on a statewide basis. Mr. Pagliarini reiterated that what he wants to know is whether the Town of North Providence supports what the Board of Governors and Rhode Island College is ultimately proposing. Mr. Pagliarini indicated that the Town of North Providence may support the proposal or they may reject the proposal; however, that is a pertinent piece of information Mr. Pagliarini wants in front of him before he voted affirmatively regarding this matter. Chairman Flynn asked if a final design has been prepared regarding the proposed access. Mr. Cabral of Crossman Engineering indicated that there is not a final design regarding the proposed access. Chairman Flynn presumed that the intent here is simply to put the pieces together in an effort to move forward with the potential construction of a third point of access into the College from Fruit Hill Avenue. Mr. Woolley asked what is on the parcels of land at this time. Mr. Cavallaro indicated that some of the lots are vacant and some have building on them; however, all of the buildings are vacant at this time.

A motion to approve by Mr. Woolley and seconded by Chairman Flynn.

Under discussion, Mr. Griffith inquired as to what harm would be done by delaying the matter to accommodate Mr. Pagliarini's request.

Chairman Flynn explained that the acquisition of this property has already been authorized by the legislature in the budget. Chairman Flynn indicated that the acquisitions of some of the subject parcels of land date back to the year 2000, in an effort to essentially reimburse the Rhode Island College Foundation for expenses occurred have been approved in the budget. Chairman Flynn stated that the question of the particulars regarding the access from the campus to a street in Town of North Providence have yet to be worked out; however, Chairman Flynn is confident that there is a vehicle to accomplish that when there is an appropriation to do so. Chairman Flynn indicated that he does not agree that the State Properties Committee should be the cause of any delay relative to this particular transaction. Mr. Pagliarini asked how this situation differs in any way from the advisory reports typically submitted by Mr. Nelson of the Statewide Planning Program. Mr. Nelson systematically forwards requests, which are due to appear on an agenda, to a local planner and inquires as to whether the planner has any objections or comments relative to a proposed transaction. Mr. Pagliarini asked if the Town of North Providence has been notified in this regard. Chairman Flynn indicated that he does not believe the Town of North Providence has been notified of the proposed acquisition or the potential plan for the construction of a third entrance to the College from Fruit Hill Avenue. However, he certainly believes the Town should be allowed to weigh in on the design of the proposed entrance, but as a design does not exist at this time, the Town has nothing to analyze to facilitate it making an informed decision as to

whether it would support or reject the construction of a third entrance to the College from Fruit Hill Avenue. Mr. Cavallaro reminded Mr. Pagliarini that the legislature reviewed this acquisition in great detail and granted the funds with no such condition attached. Mr. Cavallaro cautioned Mr. Pagliarini that if this acquisition is delayed and said funds are lost then the Committee will have bit off its nose to spite its face. Mr. Kay stated that the legislature does not control this Committee. Mr. Kay recommended that the State Properties Committee table this matter to accommodate Mr. Pagliarini's request. Mr. Cavallaro asked the Committee what it suggests the Board of Governors provide to the Town of North Providence. Mr. Cavallaro reiterated Chairman Flynn's observation that there is no design to submit; Rhode Island College is simply acquiring property. Mr. Woolley indicated that the State Properties Committee will be setting a dangerous precedent if we give a municipality the opportunity to express its position at this point in time. Mr. Woolley stated that he fully agreed with the Chairman Flynn's position that the Town will have an opportunity to weight in on a design if and when the College decides to utilize this area for a purpose that will impact the Town of North Providence. Mr. Pagliarini asked how this conversation would go. Mr. Pagliarini indicated that the Town of North Providence would not have much input if they are informed that the General Assembly gave the Board of Governors \$600,000 and it bought the property in reliance on that grant. The Town of North Providence would be told that the Board of Governors appeared before the State Properties Committee and explained to the Committee that the Board wished to

purchase the six (6) parcels of land in order to construct a third entrance into the College from Fruit Hill Avenue and in reliance on the Committee's approval and in good faith, the Board purchased the property. Mr. Pagliarini indicated the Town's input as to whether it supports the project at that time will be somewhat moot. Mr. Pagliarini noted that the State Properties Committee is the last stop for the residents of the Town of North Providence. At this point Mr. Pagliarini does not believe it is an unreasonable request to obtain some feed back. Mr. Pagliarini indicated that Mayor Lombardi's position could very well be over 'my dead body.' Mr. Pagliarini conceded that he does not know what the position of the Town is. However, Mr. Pagliarini believes consideration of this request is premature. Mr. Woolley stated that he stands firm on his motion to approve. Chairman Flynn indicated that he stands firm on his second to said motion. Mr. Kay asked if his motion to table, which was seconded by Mr. Pagliarini takes precedence over Mr. Woolley motion. Mr. Pagliarini explained that Mr. Kay would have to persuade the moving party to second his motion. Mr. Woolley reiterated that he stands on his motion to approve. Chairman Flynn stated that the motion has been made and asked that all those in favor signify by saying Aye. The motion passed three (3) votes "Aye" to two (2) votes "Nay"

Three (3) Votes "Aye"

Mr. Woolley

Mr. Griffith

Chairman Flynn

Two (2) votes “Nay”

Mr. Pagliarini

Mr. Kay

ITEM F – Department of Labor and Training – A request was made for approval of and signatures on a Purchase and Sale Agreement for the sale of property located at 470 Metacom Avenue in the Town of Warren to the Warren Housing Authority. Mr. Copple indicated that the Department of Labor and Training appeared before the State Properties Committee in September of 2007, seeking conceptual approval to offer the subject property for sale. The State Properties Committee granted said approval at that time. On or about April 9, 2008, the Department of Labor and Training held a public auction of the property at the site. Mr. Copple indicated that ten parties registered to bid on the property; however, the Warren Housing Authority was chosen as the successful bidder. Mr. Copple indicated that unfortunately the Department of Labor and Training was unable to effectuate a contact with the Warren Housing Authority because its bid did not meet the minimum required bid. The Department of Labor and Training then contacted the Department of Administration and sought advice and further instructions, which the Department Labor and Training received. Department of Labor and Training was instructed to contact Warren Housing Authority and explain that the Department required a bid of at least fair market value in order to enter into a Purchase and Sale Agreement. The Warren Housing

Authority agreed to pay fair market value, which was determined by Andolfo Appraisal Associates to be \$856,000. The Department of Labor and Training has submitted a Purchase and Sale Agreement dated respectively June 23, 2008 and June 25, 2008. The Department of Labor and Training has received a \$50,000 deposit from the Warren Housing Authority and the transaction is a cash sale. The Department of Labor and Training anticipates a swift closing. Mr. Copple stated that the Warren Housing Authority's Headquarters is located in an adjacent abutting property and it has a particular interest in purchasing the subject property. Chairman Flynn noted that the final purchase price is \$856,000. Chairman Flynn asked what the Warren Housing Authority's original bid amount was. Mr. Copple indicated that Warren Housing Authority's original bid at the auction was \$757,000. Mr. Woolley asked if the Department of Labor and Training and the Department of Administration are satisfied with the indemnification language contained within the Purchase and Sale Agreement as it relates to hazardous waste. Mr. Copple indicated both Departments are satisfied with the indemnification language. Mr. Woolley asked what the history of the property is and if there is any realistic expectation that it contains hazardous waste. Mr. Copple stated that there is no expectation whatsoever that the property contains hazardous waste. Mr. Copple explained that ironically the Warren Housing Authority is in the chain of title and Mr. Copple believes the property was a vacant lot when the Department of Labor and Training purchased it and erected the building. Mr. Copple indicated that there has never been a gas station or factory

and anything of that nature on the property. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM G – Department of Labor and Training – A request was made for approval of and signatures on a License Agreement by and between the Department of Labor and Training and the Rotary Club of Woonsocket to permit volunteers of the Rotary Club of Woonsocket to utilize a parking lot located on Pond Street in the City of Woonsocket on October 10, 2008, through and including October 13, 2008, for the annual Autumnfeast celebration to be held at Social Park. As this request is an annual License Agreement, with which the State Properties Committee has become extremely familiar. Mr. Pagliarini ask if the insurance coverage was to Mr. Kay's satisfaction. Mr. Kay indicated that he is very familiar with the manner in which the Rotary Club runs its events and indicated that he is more than satisfied with the amount of insurance coverage obtain for this event. Carrier. A motion was made to approve by Mr. Kay and seconded by Mr. Griffith

Passed Unanimously

ITEM H – Department of Labor and Training – A request was made for approval of and signatures on a Memorandum of Understanding by and between the Department of Labor and Training, the Department of Environmental Management and the Department of Mental Health, Retardation and Hospitals to hold the annual Farmers' Market on the grounds of the Pastore Campus in the City of Cranston. Mr. Copple indicated that this is an annual agreement, which has been approved

by the State Properties Committee for the past three years. Mr. Copple indicated that each vender has to obtain liability insurance amounting to \$100,000 and \$300,000 in the aggregate naming the State of Rhode Island as an additional insured. Mr. Griffith ask that given the concern of late concerning the safety of selling fresh foods, will the farmers obtain comprehensive liability insurance. Mr. Valentino indicated that he believes that comprehensive general product liability coverage is the standard coverage acquire by the farmers relative to this event; however, he indicated that he will investigate the question thoroughly see to it that comprehensive product liability is included is obtained by the farmers in the event they have not already done so and of course the State of Rhode Island will be named as an additional insured on said policy. Mr. Pagliarini asked who is responsible for the clean up of the farmers market. Mr. Copple indicated that the Department of Environmental Management is responsible for the set up and breakdown of the market and dumpsters are available at the site. Mr. Copple also indicated that a prison crew will be utilized for any additional necessary clean up. Mr. Copple indicated that there has never been any issue relative to clean up in the past. A motion was made to approve subject to the appropriate comprehensive product liability insurance coverage being obtained in the event said coverage has not already been obtain by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

The State Properties Committee agreed to hear Item M out of sequence due to a scheduling conflict on the part of Ms. McMahon.

ITEM M – Department of Transportation – A request was made for approval of and signatures on a Temporary Use Agreement by and between Manual R. Costa and the Department of Transportation for access onto property located at 775 Hope Street in the Town of Bristol. Ms. McMahon thanked the State Properties Committee for there consideration relative to hearing the subject request out of sequence. Ms. McMahon explained the Temporary Use Agreement before the Committee is needed to access adjacent property in order to repair a wall in conjunction with the drainage repairs necessary relative to Silver Creek. Ms. McMahon indicated that this request is part of a statewide drainage repair project. The project is 100% funded by a grant. As such there is no monetary compensation associated with this Temporary Use Agreement as it will benefit the property owner as well of the Department of Transportation. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM I – Department of Environmental Management – A request for approval of and signatures on a Conservation Easement by and between the Department of Environmental Management and The Nature Conservancy over 73.60 acres of land located along the northerly side of Widow Sweets Road in the Town of Exeter; known as the Joslin Land. Ms. Dias explained that this is another acquisition by the Department of Environmental Management in the Queens River Watershed Area for which the Nature Conservancy was awarded an open space grant in the amount of \$250,000 in 2006, to acquire this

property. The total purchase price for the acquisition of the property is \$500,000 which is the appraised value of the subject property. Once the Nature Conservancy acquires the property, it will transfer the care, custody and control of the property to the Audubon Society. As the Audubon Society has the entire Fisherbrook Wildlife Reserve in said area and it also preserves seventy-five (75) acres of the Queen River Watershed. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM J - Department of Environmental Management – A request for approval of and signatures on a Recreation Easement by and between the Department of Environmental Management and the Town of Foster over 7.1 acres of land located along Foster Center Road in the Town of Foster. Mr. Dias explained that in 2004, part of the open space bond, which was passed was funding for recreational park land acquisitions. The bond is on a revolving basis so when a city or town receives an option to purchase a property for a park, the municipality goes before the State of Rhode Island Recreation Resources Review Committee for approval to purchase the property. The Town of Foster was initially going to place a little league field on four (4) acres of land, the Town eventually deemed that it said property would be more appropriately utilized for a Senior Center. The Town of Foster later received an option to purchase the subject 7.1 acres of land located next to the Isaac Paine Middle School and one significant benefit is that the children will not have cross the street to utilize the little league and open space field. The

Town conducted a special financial Town meeting and it was determined that the Town of Foster had everything to appropriate the money for this project. The owners of the subject property are very amenable to selling the property for this particular action by the Town of Foster and the Recreation Resource Review Committee awarded the Town a grant of \$75,000 toward the purchase of the subject property. The property was appraised at a value of \$142,000 by Peter Scotti and Associates. Recreation Resource Review Committee also agreed to finance fifty (50%) of its other hard cost, which went toward the acquisition, the appraisal, and the title work expense, which actually increased the land acquisition cost to \$160,000. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

ITEM K – Department of Environmental Management – A request for approval of and signatures on a Conservation Easement by and between the Department of Environmental Management and the City of Providence over 2.75 acres of land located along Melissa Street in the Town of City of Providence; known as the Melissa Street Property.

Mr. Dias presented a site map of the subject property and illustrated the exact location of the subject property. Mr. Dias indicated that this 2.75 open space acre parcel of land was initially slated for development. The City of Providence and the Woonasquatucket Watershed Council united to have the property purchased from the City of Providence redevelopment agency. Mr. Pagliarini indicated that as the City of Providence was purchasing the property from an arm of the City of Providence, which made him question the value of

the property. Mr. Pagliarini indicated that he went the City of Providence's Tax Assessors website and learned the Providence Redevelopment Agency purchased the property on March 30, 2007, for a purchase price of \$181,500. Mr. Pagliarini indicated that the property had been appraised by an appraiser that does business for the City of Property in the Tax Department, which doubled the cost. Mr. Dias explained that he posed that very same question directly to Bob McMahon, Superintendent of Parks. Mr. Dias questioned whether Mr. McMahon had read the appraisal and whether he agreed with the value of the property. Mr. Dias indicated that Mr. McMahon had reviewed that appraisal and did in fact agree with the appraised value of the property. Mr. Dias presented a copy of the appraisal and submitted a letter to the Committee indicating Mr. McMahon had reviewed that appraisal and did in fact agree with the appraised value of the property. Mr. Dias explained that historically open space grants awarded to five (5) communities considered distressed have been awarded for 100% of the appraised value. Those monies were dissipated and now everything was rolled into the standard open space grant program. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM L – Department of Environmental Management – A request for approval of and signatures on a Conservation Easement by and between The Nature Conservancy and the Department of Environmental Management over 78.60 acres of land located along Eight Rod Way in the Town of Tiverton; formerly known as the Ray

Lou Realty Property. A motion was made to approve 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 11:07 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

Holly H. Rhodes, Executive Secretary