

# **STATE PROPERTIES COMMITTEE MEETING**

**TUESDAY, OCTOBER 14, 2008**

**The meeting of the State Properties Committee was called to order at 10:04 a.m. by Chairman Kevin M. Flynn. Other members present were Genevieve Allaire-Johnson representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Jr., Public Members. Others in attendance were Anthony Paolantonio the Rhode Island House of Representatives; Robert C. Bromley from the Rhode Island Senate Fiscal Office; Eva Bernardo, Colleen Kerr and Daniel Clarke from the Rhode Island Department of Transportation; Michael D. Mitchell and Arn Lisnoff from the Rhode Island Department of Administration; Jacqueline Kelley from the Rhode Island Department of Revenue; John DiTomasso from the Rhode Island Division of Motor Vehicles; Lisa Primiano and John Faltus from the Rhode Island Department of Environmental Management; Steven Feinberg from the Rhode Island Film and Television Office; Audra Gorman and Donna Bloom from Brotherhood Productions, Inc.**

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

**Chairman Flynn indicated that the Item posted under Old Business together with Items C and E are deferred to a future meeting of the State Properties Committee.**

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

## **Properties**

**Committee meeting held on Tuesday, September 2, 2008, as amended, by Mr. Pagliarini and seconded by Ms. Allaire-Johnson.**

**Passed Unanimously**

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

**Committee meeting held on Tuesday, September 16, 2008, as amended, by Mr. Pagliarini and seconded by Mr. Kay. The motion passed with three votes “Aye” and one abstention.**

**Three Votes “Aye”**

**Mr. Pagliarini**

**Mr. Kay**

**Chairman Flynn**

**One Abstention**

**Ms. Alliare-Johnson**

**Chairman Flynn indicated that the minutes of the State Properties Committee meeting held on September 30, 2008, are deferred to the October 28, 2008 meeting of the State Properties Committee as the only members who were present at the September 30, 2008 meeting are not present at today’s meeting.**

**The next scheduled meeting of the State Properties Committee will be**

held on

**Tuesday, October 28, 2008, at 10:00 a.m.**

**PLEASE NOTE: The State Properties Committee Meeting of Tuesday, November 11, 2008, has been rescheduled to Friday, November 14, 2008, at 10:00 a.m. in Conference Room 'C' due to the State of Rhode Island's observance of Veterans Day.**

**OLD BUSINESS – A request for execution of an identical Temporary Construction Easement document previously approved by and between the Department of Administration and Lowes Homes Center, Inc. relative to property located at 1460 Douglas Pike in the Town of North Providence. This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.**

**ITEM A – Department of Administration/Department of Transportation – A request was made for approval of and signatures on the Consent to Grant of Mortgage relative to property located at 90 Plain Street in the City of Providence. Mr. Mitchell indicated that the State of Rhode Island no longer owned the property located at 90 Plain Street as it was sold to Atlantic Management Corporation in June of 2008. Mr. Mitchell indicated that the request before the Committee is a matter of house keeping. Mr. Mitchell explained that when the Department of Administration sold said property, it also sold an easement on an abutting parcel of land owned by the Department of Transportation to Atlantic Management Corporation. Mr. Mitchell indicated that Atlantic Management Corporation has applied for a mortgage with Webster**

**Bank and this Consent to Grant of Mortgage will allow Webster Bank to step into the place of Atlantic Management Corporation in the event of a default of said mortgage. The State of Rhode Island requires that any entity with an interest in State-owned property be approved by the State Properties Committee. This will ensure that in the event of a foreclosure of the mortgage any third party that Webster Bank chose to convey the subject property to would have to be approved by the State Properties Committee as well. Mr. Mitchell explained that this arrangement only applies to the easement portion of the property, which was conveyed to Atlantic Management Corporation for parking. Mr. Mitchell indicated that the Legal Division of the Department of Administration, Mr. Woolley of the Department of Attorney General and the attorney for Atlantic Management Corporation worked together to prepare the Consent to Grant of Mortgage and now he is seeking approval from the State Properties Committee. Mr. Pagliarini reminded Mr. Mitchell that he previously voted against the original conveyance of this easement as he believed the Department of Administration did not follow usual protocol by granting Atlantic Management Corporation a permanent easement rather than entering into a license agreement. Therefore, in order to maintain consistency relative to this transaction, Mr. Pagliarini indicated that he would be voting against any motion to approve of the Consent to Grant of Mortgage. In light of the economic difficulties many banks are experiencing at this time, Ms. Allaire-Johnson asked Mr. Mitchell what the status of Webster Bank is at this time. Mr. Mitchell indicated that he did not know Webster**

**Bank's current economic status; however, he believes he can research its current status and report back to the State Properties Committee. Mr. Mitchell explained that if Atlantic Management Corporation develops the 90 Plain Street property and then decides to sell it to a third party, then any conveyance of the easement over the Department of Transportation parcel of land would have to return to the State Properties Committee for further review and approval before transfer could be effectuated. Mr. Mitchell reiterated that that the Consent to Grant of Mortgage contains language, which stipulates that in the event of a foreclosure of the property, Webster Bank will have to appear before the State Properties Committee for approval prior to conveying the property to any third party. Mr. Pagliarini indicated that he believed the easement was granted in perpetuity to successors and asked why any future conveyance of the land would require approval of the State Properties Committee. Mr. Mitchell clarified that the State of Rhode Island wishes to maintain knowledge of any party with an interest in State-owned property; therefore, any conveyance of the subject grant of easement will require the approval of the State Properties Committee. Mr. Mitchell indicated that pursuant to the Grant of Easement said approval will not be unreasonably withheld. Mr. Pagliarini asked if Mr. Mitchell could give him an example of how the State Properties Committee could in fact withhold approval of any future conveyance of the easement to a successor. Mr. Mitchell indicated that the original grant of easement is limited to use for parking purposes only, therefore, if any future proposed conveyance meant a change in the use of the property, the**

**Committee could withhold its approval. After discussing the request at length, a motion was made to table the subject request to provide the Department of Administration adequate time to investigate the status of Webster Bank and to clarify the conditions under which the State Properties Committee could reasonably withhold a future transfer of the grant of easement by Mr. Kay and seconded by Mr. Pagliarini.**

**Passed Unanimously**

**ITEM B – Department of Revenue/Division of Motor Vehicles – A request was made for permission to enter into negotiations relative to a Memorandum of Understanding by and between the Department of Revenue (“DOR”)/Division of Motor Vehicles (“DMV”) and the Rhode Island Transit Authority (“RIPTA”). Chairman Flynn asked Ms. Kelley to provide a brief summary of the circumstances involved relative to this request for the benefit of the Committee. Ms. Kelley explained that in 1997, the DMV entered into a Memorandum of Understanding (“MOU”) with the RIPTA, which allowed the DMV to utilize a portion of a building owned by RIPTA for purposes of conducting vehicle inspections. Ms. Kelley indicated that the MOU never came before the State Properties Committee, nor was it ever approved by the Committee. Ms. Kelley explained that the MOU expired in 2000; however, the arrangement continued despite the expiration of the mechanism. Ms. Kelley stated that the DMV is still utilizing said space for vehicle inspections. Ms. Kelley indicated that both the DOR and the DMV are willing to examine alternative sites that would meet the needs of the DMV. However, in the interim, the DMV is required to**

maintain a vehicle inspection site. Therefore, the DOR/DMV is seeking permission to negotiate the terms and conditions of an updated agreement with RIPTA, which meets the current requirements of the State of Rhode Island. Chairman Flynn asked if the vehicle inspection station must be located within the RIPTA facility. Mr. DiTomasso indicated that the vehicle inspection station does not have to be in the RIPTA building; however, it is a good location in terms of size and location. Mr. DiTomasso explained that the site includes five (5) bays and ample space to accommodate the size of the vehicles inspected at the site. Mr. DiTomasso indicated 3,200 school buses and approximately 1,500 public plate vehicles and taxis are inspected at the site each year. Mr. DiTomasso noted that state law requires the DMV to conduct these inspections. Mr. DiTomasso explained the current location also includes a large parking area, which provides plenty of space for two or three school buses to park while awaiting inspection. Mr. DiTomasso echoed Ms. Kelley's comment that the DMV is certainly willing to explore other potential sites, but indicated he believes the RIPTA site is a very good centralized location for the inspection station. Mr. Pagliarini noted that the previous MOU stipulated that "In lieu of rent, DOA agrees to pay eighty (80%) percent of the building's following utilities, as compensation to RIPTA for the provision of necessary heat, water, electricity, sewage, storm drainage and other utility services, except telephone service required for its use of the premises." Mr. Pagliarini asked what the average total amount the DMV is paying as compensation for the use of the premises assuming said terms

remain in effect. Mr. DiTomasso stated that he did not have that information readily available at this time. Ms. Kelley indicated that the DMV has continued to honor the terms of the original MOU. Chairman Flynn noted that he is concerned whether the present arrangement is in the best interest of the State as the DMV is utilizing only a portion of a very large building. Therefore, before any approval is granted, the State Properties Committee will need to know the average amount of compensation presently being paid under the terms of the agreement in order to determine whether said payment is comparable to the amount of rent that would be assessed under the terms of a conventional lease agreement. With regard to exploring alternative sites, Chairman Flynn asked how broad an area would be considered by the DMV. Mr. DiTomasso indicated that the DMV would be willing to consider locations within a ten (10) miles radius of the current site. Mr. DiTomasso stated that the present location is very centralized and as the school buses operate on a tight schedule; the more centralized the location; the easier it is for them to utilize. Mr. DiTomasso indicated that the DMV is interested in finding a location close to one of the interstates if possible. Chairman Flynn asked if this is the only station that conducts school bus inspections in the State of Rhode Island. Mr. DiTomasso indicated that is correct. Mr. Pagliarini asked if the DOR/DMV will be required to return to the Committee to provide information regarding the present amount of compensation being paid for the site if conceptual approval is granted today. Chairman Flynn indicated that this matter will definitely return to the Committee in the near future. Ms.

**Allaire-Johnson noted that the indemnification, the insurance and the MOU itself are not in compliance with the current statutes. A motion was made to grant conceptual approval for the DOR/DMV to enter into negotiations with RIPTA subject to the submission of a Certificate of Insurance evidencing that said insurance coverage has been updated and complies with the State of Rhode Island's current insurance coverage requirements within twenty-eight (28) days of October 14, 2008, by Mr. Pagliarini and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM C – Board of Governors/University of Rhode Island – A request for approval of and signatures on an Amended Grant of Easement relative to property located at 530 Liberty Lane in the Town of West Kingston for purposes of including sewer and gas service. This item is deferred to a future meeting of the State Properties Committee at the Request of the Board of Governors for Higher Education.**

**ITEM D – Department of Administration – A request was made for approval of and signatures on final documents to receive a gift of a permanent easement located adjacent to the Rhode Island School for the Deaf from Branch Avenue Associates. Mr. Lisnoff explained that the Department of Administration is seeking final approval of a gift of permanent easement to construct a retaining wall at the Rhode Island School for the Deaf site. The neighboring property owner was asked if they would be willing to grant the State of Rhode Island an easement, which consists of approximately 600 square feet for the construction of the new Rhode Island School for the deaf. Mr. Lisnoff stated that the property owner granted the State's request, which will**

**save the State of Rhode Island an estimated \$3,900. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM E – Department of Administration – A request for approval and authorization to negotiate a lease with the City of Warwick School Department for a temporary location for the Rhode Island School for the Deaf. This item is deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.**

**ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a Film Location Agreement with Brotherhood Productions, Inc. to allow Brotherhood to utilize portions of Lincoln Woods State Park for purposes of filming scenes for the “Brotherhood” television series on Monday, October 20, 2008. Mr. Feinberg explained that the request before the Committee today is to allow Brotherhood Productions, Inc. to film an episode of Brotherhood from 5:00 a.m. to 10:00 p.m. on Monday, October 20, 2008. Brotherhood will pay a usage fee of \$1,000 for the use of said location. Mr. Feinberg indicated that the Brotherhood has submitted a Certificate of Insurance, Disclosures of Corporation and Authority and a site map detailing the proposed areas of use. Mr. Faltus indicated that the Department of Environmental Management has no objection to the proposed filming. The Department of Environmental Management is requiring Brotherhood Productions, Inc. to engage the services of an environmental police officer from 5:00 a.m. to 10:00. Said request has been forwarded to the Department of**

**Environmental Management's Division of Enforcement. The Department of Environmental Management has also requested that Brotherhood Productions, Inc. contact the Lincoln Police Department and the Rhode Island State Police to advise them of the nature of the activity in the Town of Lincoln on that day in the event that any call to "911" becomes necessary. Otherwise, Mr. Faltus reiterated that given the lack of activity at the park during this season, the Department has no objection to allowing Brotherhood Productions, Inc. permission to utilize a portion of the park for filming on October 28, 2008. A motion was made to approve by Mr. Pagliarini subject to Brotherhood Productions, Inc.'s compliance with the terms and conditions set forth by Lincoln Woods State Park in its letter dated October 3, 2008. Said motion to approve was seconded by Ms. Allaire-Johnson.**

**Passed Unanimously**

**ITEM G – Department of Environmental Management – A request was made for approval of and signatures on a Certificate of Transfer for an interagency transfer of .29 acres of land owned by the Department of Transportation, which abuts the Beaver River and has been operated and maintained by the Department of Environmental Management as a fishing and canoe access site. Ms. Primiano indicated that the subject property has been operated by the State of Rhode Island as a fishing access site for many years. Approximately five (5) years ago, the Department of Environmental Management conducted an inventory of its fishing access areas and discovered that a few of the sites were not under the ownership of the**

**Department of Environmental Management; therefore, the Department has embarked on a process to correct its records. Ms. Primiano indicated that as part of this effort, the Department of Transportation has agreed to transfer the subject property to the Department of Environmental Management. The Departments have worked out the boundaries and the survey has been completed; therefore, both Departments are ready to execute the Certificate subject to the State Properties Committee's approval. A motion was made to approve by Mr. Pagliarini and**

**seconded by Ms. Allaire-Johnson.**

**Passed Unanimously**

**ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over approximately 24 acres of land located on Danielson Pike in Foster; known as the Hopkins Property. Ms. Primiano indicated that the subject property will be protected by The Foster Land Trust. Said property was part of its 2006 grant application, which was approved by the Echo Heritage Commission. Ms. Primiano noted that The Foster Land Trust has completed its due diligence relative to the subject property. Ms. Primiano indicated that this transaction complements much of the work that the Department of Environmental Management has been doing with the Audubon Society over the past five (5) years regarding other land trust properties. This effort has resulted in the connecting of approximately 800 acres of land along the Ponagansett River. Ms. Primiano illustrated the location of the**

**subject property relative to the aforementioned land trust properties using a site map. Ms. Primiano indicated that the total appraised value of the property is \$170,000 and the Open Space Grant accounts for fifty (50%) percent of the necessary funds. A motion was made to approve by Mr. Pagliarini and seconded by Ms. Allaire-Johnson.**

**Passed Unanimously**

**ITEM I – Department of Transportation – A request was made for approval of and signatures on a Letter of Authorization for Kayser-Roth Corporation for the purpose of installing and sampling subsurface environmental monitoring wells and vapor probes on approximately six hundred (600) feet of property located west from the Intersection of School Street and Maple Street in the Town of North Smithfield. Ms. Bernardo explained that Kayser Roth Corporation intends to utilize the subject property to install and monitor wells. Ms. Bernardo stated that the Department of Transportation has no jurisdiction over Maple Street. Chairman Flynn asked if Kayser Roth Corporation owns the property located across the street from the subject property. Ms. Bernardo indicated that Kayser Roth Corporation does not own the property; however, it has been engaged to install and monitor the aforementioned wells. Chairman Flynn asked if an industrial facility is located across the street from the subject property. Ms. Bernardo presented a photograph of the subject property and surrounding properties for the Committee’s review. After a detailed discussion regarding the need for the wells, the proposed schedule for monitoring the wells and the manner in which the wells will be monitored, a motion was**

made to approve by Mr. Pagliarini and seconded by Ms. Allaire-Johnson. The motion passed three (3) votes “Aye” to one (1) vote “Nay.”

**Three Votes “Aye”**

**Mr. Pagliarini**

**Ms. Allaire-Johnson**

**Chairman Flynn**

**One Vote “Nay”**

**Mr. Kay**

**ITEM J – Department of Transportation – A request was made for approval to convey ownership of 33,317 square feet of State-owned land located along Thurbers Avenue @ Interstate 95 in the City of Providence to the Meeting Street School. Mr. Clarke indicated that in accordance with a recent survey, the Department has determined the property being conveyed consists of approximately 24,000 square feet of land and will be utilized for passive recreational purposes. Mr. Clarke indicated that the Department of Transportation is seeking the Committee’s approval of the gratis transfer of the property to Meeting Street School; in exchange, Meeting Street School will remediate the site, which has been identified as a Brownfield Site. The estimated cost of said remediation is \$174,000. Mr. Clarke indicated that Meeting Street School will remediate the site within two (2) years of its conveyance. Mr. Clarke also indicated that the deed will contain a**

reverter clause stipulating that if in the future the Department of Transportation deems the property necessary for future highway purposes, it will be returned to the State of Rhode Island. Mr. Clarke noted that at this point in time the Department believes it had retained enough property to provide for any interchange for the Interstate 195 Relocation Project. Chairman Flynn asked if the property would need to be remediated if it were not going to be transferred to the Meeting Street School. Mr. Clarke indicated that in all probability there would be no need to remediate the property absent the Department's intent to transfer it to the Meeting Street School. In view of Mr. Clark's statement, Chairman Flynn asked what the Department's rationale is behind the proposed transfer. Mr. Clarke indicated that the Department has deemed the property to be surplus to its needs and believes the land will benefit the students of the Meeting Street School. Mr. Pagliarini noted that the property would most likely not have to be remediated to such an extent if it were going to be utilized for parking rather than as a playground for the students of Meeting Street School. Mr. Pagliarini asked if an appraisal of the property has been conducted to determine its value once the remediation is completed. Mr. Clarke indicated that the property has not been appraised. A motion was made to grant conceptual approval subject to the Department of Transportation conducting an internal appraisal of the property, which determines both the value of the property "as is" as well as the property's value upon the completion of the necessary environmental remediation by Mr. Kay and seconded by Mr. Pagliarini.

## **Passed Unanimously**

**ITEM K – Department of Transportation – A request was made for approval of and signatures on a Land Lease by and between the Rhode Island Airport Corporation and the United States of America (aka Air National Guard). Mr. Clarke explained that the Air National Guard occupies approximately 120 acres of land located at Quonset State Airport. Mr. Clarke indicated that as the Air National Guard is in the process of upgrading its hanger facility, administrative sites and maintenance facilities, the federal government required that the Air National Guards have a lease hold on the property of at least forty (40) years. Therefore, a lease agreement was prepared and executed by Mark Brewer who was at the time the Executive Director of the Rhode Island Airport Corporation and Jerome F. Williams who was at the time the Director of the Department of Transportation. Said Lease Agreement was then forwarded to the Pentagon in 2007, for execution; however, by the time the executed document was returned to the Department of Transportation in July of 2008, the signatures of Mr. Brewer and Director Williams were obsolete. Therefore, the Lease Agreement was circulated for updated signatures and the Department is before the State Properties Committee seeking its approval and execution of said Land Lease. Mr. Pagliarini asked if the terms and conditions set forth in Exhibit “C” concerning the extension of Cripe Street from Belver Avenue to Conway Avenue and the reconfiguration of Conway Avenue and Roger Williams have been satisfied. Mr. Clarke indicated that he is unsure whether said terms and conditions have been satisfied, but indicated that roads have been reconfigured**

**to accommodate the Air National Guard's expansion onto to land controlled by the Economic Development Corporation and that the intersection at Roger Williams and Conway Avenue has been upgraded. Mr. Clarke could not say for certain that the aforementioned terms and conditions had been satisfied, however, he indicated that there is no evidence to the contrary. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.**

**Passed Unanimously**

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

**A motion was made to enter into Executive Session by Mr. Kay and seconded by Mr. Pagliarini. A roll call vote was taken and the votes were as follows: Ms. Allaire- Johnson voted "Aye", Mr. Pagliarini voted "Aye", Mr. Kay voted "Aye" and Chairman Flynn voted "Aye". The State Properties Committee closed the Executive Session and returned to**

**open session at 11:00 a.m.**

**ITEM E1 – Department of Transportation – A request was made for**

**consideration of an Offer to Purchase Department of Transportation-owned property located at Old East Avenue in the City of Warwick. After discussion in Executive Session, a motion to deny was made by Mr. Pagliarini and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM E2 – Department of Transportation – A request was made for authorization to acquire easements by virtue of Condemnation Plat 567A relative to the Round Top Bridge No. 387 located in the Town of Burrillville. After discussion in Executive Session, a motion to approve was made by Mr. Kay and seconded by Mr. Pagliarini.**

**Passed Unanimously**

**There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:02 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Ms. Allaire-Johnson. Passed Unanimously**

---

**Holly H. Rhodes, Executive Secretary**