

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, MARCH 3, 2009

The meeting of the State Properties Committee was called to order at 10:06 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; John A. Pagliarini, Jr., Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Richard Delfino, Donna Broccoli and Shelly Cortes from the Rhode Island Department of Corrections; John Faltus, Larry Mourajian and Mary Kay of the Rhode Island Department of Environmental Management; John Ryan, Marco Schiappa, Deborah White and Michael D. Mitchell from the Rhode Island Department of Administration, Daniel Clarke and Colleen Kerr from the Rhode Island Department of Transportation; and Anthony Gianfrancesco from the Justinian Society of Rhode Island.

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

Approval of the regular and executive session minutes from the meeting of the State Properties Committee held on of February 17, 2009, was deferred until the meeting of March 17, 2009.

Passed Unanimously

ITEM A – Department of Corrections – A request was made for approval of and signatures on the First Amendment to Lease

Agreement by and between Pui O, Inc. and the Department of Corrections to allow the Department to exercise an option to renew the term of the existing Lease Agreement for a term five (5) years for the premises located at 249 Roosevelt Avenue in the City of Pawtucket. The Lease will expire on February 28, 2014. Mr. Ryan furnished the Committee with copies of a lease summary, which provided detailed information regarding the subject premises and the terms and conditions of the Lease Agreement. Mr. Delfino explained that the subject premises houses the Pawtucket Adult Probation and Parole Unit and is occupied by fifteen (15) fulltime employees of the Department of Corrections. The staff is responsible for the supervision of approximately 2,500 actively supervised probationers as well as an additional 2,000 individuals residing in the community whose supervision has been suspended. Mr. Delfino indicated that the unit supervises sex offenders, probationers, domestic violence offenders, parolees, youthful offenders and the remaining offenders whose cases do not fall under the above-referenced specialized categories. Mr. Woolley asked if the Department of Corrections is satisfied with the space. Mr. Delfino indicated that the Department is extremely satisfied with the premises. Mr. Pagliarini asked if the Department investigated the market for alternative locations for the unit. Mr. Ryan explained that due to the nature of the business conducted by the unit, it is nearly impossible to find property owners who are willing to rent space to the Department of Correction for this purpose. Mr. Ryan indicated that previous requests for proposals for office space to house the probation and parole units have essentially

generated no responses. Mr. Ryan indicated that this particular landlord welcomed the Department to occupy the space ten (10) years ago. The State has had a very good relationship with the landlord. Mr. Ryan noted that the office space is very well maintained and the staff is very satisfied occupying said premises. Mr. Ryan stated that he consulted Thomas Andolfo, one of the most reputable appraisers in the State of Rhode Island, and asked him to review the financial terms and condition of the Lease. Mr. Andolfo explained that with just a minor adjustment of the annual escalation provision, he found the Lease Agreement to be fair and reasonable. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith. The motion passed three (3) votes “Aye” to one (1) vote “Nay.”

Three (3) Votes “Aye”

Mr. Woolley

Mr. Griffith

Chairman Flynn

One (1) Vote “Nay”

Mr. Pagliarini

Item B – Department of Administration – A request was made for approval of and signatures on the Fourth Amendment to Office Sublease and the First Amendment to Office Sublease Assignment Agreement for office space located at the “Hall of the States” 400-444 North Capitol Street, N.W., Suite 619, Washington, DC. Mr. Mitchell

explained that the subject premises comprises of 452 square feet of office space in Washington, DC. The State of Rhode Island's rental obligation for said premises was \$21,036.00 per year. However, Mr. Mitchell indicated that in September 2008, the State Properties Committee approved an Assignment Agreement to assign said Lease to the Territory of Guam. The documents were sent to Guam approximately six (6) months ago for its review process. Mr. Mitchell noted that said documents were recently returned to the State of Rhode Island. Mr. Mitchell explained that the Attorney General of Guam has requested that both the Office Sublease Agreement and the Assignment Agreement be revised to include the following language so that said documents would conform to

Guamanian law:

“The obligations of the Office of the Governor of Guam under the Office Sublease Assignment Agreement are limited by the specific provisions of the Organic Act of Guam, 48 USC 1421a, and the Government Claims Act of Guam, 5 GCA 6101 et seq., regarding the waiver of sovereign immunity and the collection of monetary judgments.”

Mr. Mitchell indicated that he believes said language denotes that if there is a breach of the Lease Agreement and the landlord insists that Guam fulfill its obligations under said Lease Agreement, the landlord will have to travel to Guam in order to pursue a request for relief. The landlord has indicated to the State of Rhode Island that it not only

agreed to the inclusion of said language, but recommended the documents be revised to include the same. Mr. Mitchell noted that with the Committee's approval and execution of the documents, the State of Rhode Island can vacate the premises and will be relieved of its obligations under the Lease Agreement. Chairman Flynn clarified that this assignment of the Office Sublease Agreement transfers all expenses associated with the office space from the State of Rhode Island to the Territory of Guam; however, the State retains the right to exercise an option to regain occupancy of the premises upon six (6) month notice of its intention to do so to the Office of the Governor of Guam. Chairman Flynn commended Mr. Mitchell for his efforts concerning the assignment of the Office Sublease. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM C – Department of Administration/Office of Film and Television – A request for approval of and signatures on a blanket Film Location Agreement by and between the Department of Administration and Paige Productions, Inc. to allow Paige Productions to film a pilot for the television series “House Rules” at the State House and at the Department of Administration between March 18, 2009, and April 2, 2009. Item C was deferred to the next meeting of the State Properties Committee at the request of the Department of Administration and the Rhode Island Film and Television Office.

ITEM D – Department of Administration – A request was made for approval of and signatures on a License Agreement by and between the Department of Administration and the Justinian Society of Rhode

Island/National Italian-American Bar Association to hold its Board Meeting and a ceremony for the installation of new officers in the Rotunda of the State House on the evening of Friday, May 1, 2009. Mr. Gianfrancesco explained that the Justinian Law Society was formed fifteen (15) year ago and is a predominately, but not exclusively, Italian American Bar Association. Mr. Gianfransisco stated that membership is open to all attorneys. The National Italian American Bar Association was founded approximately twenty (20) years ago. Mr. Gianfransisco indicated that since Rhode Island has become involved with the national organization, it has hosted four (4) events. Every two years the National Italian American Bar Association has an election/installation of officers and Providence was once again selected as the host city. The visiting members of the Association will be lodging at the Providence Renaissance Hotel. The State House Rotunda has been chosen as the site for the event and the Honorable Judge Daniel Proccocini will be honored at the event. A motion was made to approve by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval to negotiate a new License Agreement with Mr. George Wein for the presentation of the Folk and Jazz Festivals to be held at Fort Adams State Park over the weekends of July 31st to August 2nd and August 7th, to August 9th in 2009. Mr. Faltus explained that in January of 2007, the Department of Environmental Management appeared before the State Properties and obtained

approval of a License Agreement with Festival Network, LLC. Mr. Wein had recently entered into a business relationship with Festival Network, LLC for the continued presentation of the Folk and Jazz Festivals for a period of five (5) years. Mr. Faltus indicated that the event were very successful in both 2007 and 2008. However, Mr. Faltus explained that the Department encountered some problems with the Festival Network, LLC in terms of complying with terms and conditions of the License Agreement. Mr. Faltus indicated the specific problem was obtaining the necessary financial reports and payments due to the State of Rhode Island. Mr. Faltus indicated that the Department was eventually successful, through the efforts of Mr. Mourajian and Ms. Kay, in obtaining said reports. Mr. Faltus indicated that the Department only recently received the necessary payments from Festival Network, LLC. Mr. Faltus stated that in light of the difficulties caused by the Festival Network, LLC, the Department has taken steps to terminate the existing License Agreement. Mr. Faltus indicated that at this time, the Department would like to obtain approval from the State Properties Committee to re-enter negotiations with only Mr. George Wein. Mr. Faltus explained that up until 2007, the Department enjoyed a very successful relationship with Mr. Wein who for many, many years held the festivals at Fort Adams State Park in conjunction with his company former company, Festival Productions. Chairman Flynn asked what the relationship been between Mr. Wein and Festival Network, LLC is. Mr. Faltus stated that in 2007, Mr. Wein entered into a business relationship with Festival Network, LLC. Mr. Faltus explained that Mr. Wein is in his early

eighties and because of the onset of his age he wanted to secure a business arrangement that would help to continue the success of the festivals and relieve some of the business and administrative burden.

Mr. Faltus indicated that Mr. Wein believed that the arrangement with Festival Network, LLC would ensure the successful continuation of the festivals. Unfortunately, however, the business relationship between Mr. Wein and the Festival Network, LLC was unsuccessful.

Chairman Flynn asked what specifically led to the decline of the business relationship between the parties. Mr. Faltus explained that

Festival Networks, LLC lost some of its sponsorship; Dunkin Donuts terminated its sponsorship of the Folk Festival. Chairman Flynn

asked if Festival Network LLC fulfilled its obligations to the State of Rhode Island. Mr. Mourajian indicated that Festival Network, LLC did

eventually fulfill its financial obligations to the State of Rhode Island; however, the Department was not satisfied with its working

relationship with Festival Network, LLC during the last season. Mr. Mourajian explained that the Department has internally reviewed the

legalities of the License Agreement and requested that the Department of Attorney General review the Agreement to determine

whether there were sufficient grounds within the language to find said License Agreement null and void. Mr. Mourajian noted that

Festival Network, LLC is a separate legal entity from Mr. Wein himself.

Mr. Mourajian stated that the Department looks forward to continuing its involvement in the legacy of the Fort Adam's Folk and Jazz

Festivals; however, the Department doubts that Festival Network, LLC has the wherewithal to fulfill future obligations set forward in the

License Agreement. Mr. Mourajian indicated that the Department wishes to reestablish its relationship with Mr. Wein and commence negotiations concerning the terms and conditions of a new License Agreement for a term of one year. Mr. Mourajian stated that as 2009 is the fiftieth (50th) anniversary of the Folk Festival, the fifty-fifth (55th) anniversary of the Jazz Festival and the one hundredth (100th) anniversary of Rhode Island's State Park system, the Department and Mr. Wein would like to acknowledge and celebrate these landmark anniversaries together. The Department is examining the viability and the proven ability to put forward a first class venue and has taken the steps necessary to notify the existing Licensee of the Department's intention to deem the License Agreement null and void. It is Mr. Woolley's understanding that the suppliers, vendors and just about everyone involved with the events experienced difficulties in terms of compelling Festival Network, LLC to satisfy its financial obligations in a timely manner. Mr. Mourajian indicated that there were several media articles regarding the difficulties in dealing with Festival Network, LLC, which initially raised the Department's concerns. Mr. Woolley noted that Festival Network, LLC did not honor its responsibilities until long after the fact. Mr. Pagliarini asked if the Department has considered requiring that at least a portion of its fee be paid in advance of the events. Ms. Kay indicated that the Department will certainly consider some type of deposit requirement as it negotiates the new contract. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith. Passed Unanimously

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Quit Claim Deed by and between the Department of Transportation and MSC Realty Inc. d/b/a Meeting Street School for the gratis transfer of 33,317 square feet of excess State-owned land located adjacent to Thurbers Avenue and Interstate Route 95 in the City of Providence. Mr. Clarke explained that in October 2008, the Department appeared before the Committee with a request to convey 33,317 square feet of land to Meeting Street School. Mr. Clarke indicated that the land was in need of environmental remediation, which Meeting Street School agreed to complete at its own expense in exchange for a gratis transfer of the property. Mr. Clarke stated that the property will be utilized for surface use only and the Quit Claim Deed contains a reverter clause that allows the State of Rhode Island to reclaim the subject property if it is needed for transportation purposes in the future. Mr. Clarke indicated that the estimated cost to remediate the site is approximately \$174,000. Meeting Street School surveyed the property within the fence line, which consisted of 24,774 square feet of land. An appraisal of said property was conducted and a value of \$6,000.80 per square foot and a total value of \$168,000 was established. Mr. Woolley asked if the Federal Highway Administration approved the gratis transfer of the subject property. Mr. Clarke indicated that Federal Highway Administration has already approved the gratis transfer. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM G - Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Walgreens Eastern Co., Inc. to allow the applicant to utilize 7,745 square feet of State-owned property located at 1209 Main Street in the Town of Richmond for purposes of erecting a business sign, a walkway and for beautification. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Woolley.

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. Griffith and seconded by Mr. Woolley. A roll call vote was taken and the votes were as follows: Mr. Griffith voted “Aye”, Mr. Pagliarini voted “Aye”, Mr. Woolley voted “Aye” and Chairman Flynn voted “Aye”.

The State Properties Committee closed the Executive Session and returned to

the open session of the meeting at 10:35 a.m.

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

authorization to proceed with the acquisition of temporary easements by virtue of Condemnation Plat 2635A. After discussion in executive session, a motion to approve was made by Mr. Woolley and seconded by Mr. Pagliarini.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 10:36 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr. Pagliarini.

Passed Unanimously

Holly H. Rhodes, Executive Secretary