

# **STATE PROPERTIES COMMITTEE MEETING**

**TUESDAY, MAY 12, 2009**

**The meeting of the State Properties Committee was called to order at 10.05 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member. Others in attendance were Anthony Paolantonio from the Rhode Island House of Representatives; Meredith Pickering from the Rhode Island Senate Fiscal Office; Lisa Primiano and Michelle Sheehan from the Rhode Island Department of Environmental Management; Michael D. Mitchell, Marco Schiappa and Deborah White from the Rhode Island Department of Administration; Director Craig Stenning, Paul Grenon from the Rhode Island Department of Mental Health, Retardation and Hospitals; Jane Morgan from the Rhode Island Executive Office of Health and Human Services; Daniel Clarke, John Glynn, David Coppotelli, Colleen Kerr and Richard Kalunian from the Rhode Island Department of Transportation; John Padian, William Gordon and Katherine Hunt; and Rodney Davis from Rhode Island Pride.**

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

**A motion was made to approve the regular minutes from the State Properties Committee meeting held on April 28, 2009, by Mr. Griffith**

and seconded by Mr. Kay.

**Passed Unanimously**

**OLD BUSINESS – Department of Transportation – A request for approval of and signatures on three (3) Subordination of Easement documents by and between the Department of Transportation and Guardian Trust, an Access Agreement by and between the Department of Transportation and Conopco, Inc. and a Declaration of Easement Agreement relative to the Peterson Puritan Superfund Site clean-up. This item was deferred to a future meeting of the State Properties Committee at the request of the Department of Administration.**

**ITEM A– Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract to acquire a Conservation Easement over 72.5 acres of land located along Stony Lane in the Town of Exeter; known as the Talbot Property. Ms. Sheehan presented a site map for the Committee’s review. Ms. Sheehan stated that this acquisition will be 100% funded by the Federal Highway Funds. Chairman Flynn asked if this is an earmarked project or an enhancement project. Ms. Sheehan indicated that this project is an enhancement project. Ms. Sheehan indicated that the fee ownership of the subject property will be held by The Nature Conservancy. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement with the**

**Town of Johnston for use of property located at Snake Den State Park for purposes of the construction and operation of a municipal fire station. Ms. Primiano stated that the State Properties Committee previously granted approval for the Department to enter into a temporary License Agreement with the Town of Johnston to allow the Town to do some of its initial site work. Ms. Primiano indicated that the Town of Johnston is moving forward very quickly with the construction of the fire station. Ms. Primiano stated that the terms and conditions of the final License Agreement have been worked out between the parties and the Department is now seeking the approval of the State Properties Committee. Ms. Primiano stated that the License Agreement is for a term of twenty (20) years. The License Agreement also contains a provision, which allows the Town of Johnston the option to exercise a twenty (20) year extension of the agreement. Ms. Primiano reminded the Committee that as part of the proposal the Town of Johnston will provide public amenities for Snake Den State Park, which will include a trail head, vehicle parking and use of the restrooms for the public. Ms. Primiano stated that as Snake Den State Park is very much under utilized, the Department hopes this arrangement will help to increase the public's use of the park. Chairman Flynn asked if the restrooms will be located within the fire station or if they will be a separate facility. Ms. Primiano explained that the restroom will be located within the fire station but will have a separate public entrance on the side of the facility. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.**

### **Passed Unanimously**

**ITEM C – Department of Environmental Management – A request was made for conceptual approval to appraise, survey, title search and negotiate the purchase of a Conservation Easement over 150 acres of land located along Main Road in the Town of Tiverton; known as the Marvell Property. Ms. Sheehan illustrated the exact location of the subject property and described the surrounding area utilizing a site map of the subject property. Ms. Sheehan stated that the fee ownership of the subject property would be held by The Nature Conservancy and the Tiverton Land Trust. Ms. Sheehan explained that the acquisition of the Conservation Easement will be funded by a NOAA grant and indicated that no State funds will be utilized. Ms. Primiano explained that the funding for this acquisition was originally earmarked for the Ferolbink Farm project; however, as the Department moved forward with the NOAA grant it was informed that said funds could not be applied to the preservation of farmland. Ms. Primiano indicated that as a result of said condition, the Department has a very limited amount of time to reallocate said funds to another project. Ms. Primiano indicated that because time is of the essence relative to said funds, the Department will return to the Committee with the final Deed of Conservation Easement in the very near future to ensure that said funding is not lost. Ms. Primiano reiterated that no State funds would be involved in this acquisition. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.**

### **Passed Unanimously**

**ITEM D – Department of Mental Health, Retardation and Hospitals – A**

request was made for approval of and signatures on an Option Agreement and Quit Claim Deed by and between the Department of Mental Health, Retardation and Hospitals and The Arc of Blackstone Valley for the conveyance of property located at 115 Manton Street in the City of Pawtucket. Director Stenning indicated that the Department is extremely excited about the proposal concerning the property located at 115 Manton Street. Director Stenning stated that the Department was previously before the Committee in February of 2009, at which time the Committee unanimously voted to grant conceptual approval of the Department's request to sell the subject property to the Arc of Blackstone Valley for a purchase price of one hundred thousand (\$100,000) dollars. Director Stenning explained that since then, the Arc of Blackstone Valley has submitted its applications for funding, met with the officials from the City of Pawtucket, the residents and the neighbors who reside in the surrounding area. Director Stenning stated that the Arc of Blackstone Valley has engaged the services of legal counsel to assist in obtaining the necessary approvals. The Arc of Blackstone Valley has retained an environmental firm to conduct a phase I assessment of the subject property. Director Stenning indicated that the Arc of Blackstone Valley has completed a detailed property survey. Director Stenning explained that the Arc of Blackstone Valley's completion of due diligence led to some minor changes in the scope of the project primarily due to zoning issues. Director Stenning noted that none of those changes in any way affect the accommodation of the Department of Mental Health, Retardation and Hospitals consumers.

**Dr. Stenning assured the Committee that said changes still allow for the total amount of savings as reflected in the his correspondence dated December 8, 2008. Director Stenning stated that as he is neither an attorney nor a real estate expert, his opinion relative to this project is based on its value to the Department in two major areas. First and foremost, the Department recognizes the benefit to the individuals that it serves; individuals with developmental disabilities and/or mental health issues. Additionally, Director Stenning averred that in accordance with state statute, the Department is the designated authority for developmental disabilities and therefore is responsible for establishing policy as well as designing services for these individuals. Director Stenning explained that the as Director of the Department of Mental Health, Retardation and Hospitals, he is also responsible for budgetary matters and for finding ways to compensate for the decline of available funds. Director Stenning stated that the Department's zealous support of this proposal is because it fits the model envisioned by Department. It is the Department's hope that this project becomes a prototype for other providers that will actually produce additional saving for the State of Rhode Island and simultaneously better serve residents. Director Stenning noted that until now, the Department's model has focused on the group home environment. He stated that over the past year, the Department has discussed extending its options and developing a variety of different housing situations for individuals with disability. The subject proposal not only benefits individuals with disabilities, but numerous others including the elderly, shared living residents**

and certain staff who will be allowed to reside on-site at a reduced rate. Director Stenning noted that the subject proposal essentially eliminates the cost of maintaining the various group home properties, which is a considerable burden to the Department. The State will realize some revenue from the sale of the property. As residents presently residing in at least two of the State's group homes will be transferred to this site, the State will realize the proceeds from the sale of those two properties as well. Director Stenning stated that for the aforementioned reasons, the Department continues to enthusiastically support this initiative. He commended the Arc of Blackstone Valley for its tireless efforts to bring this initiative to fruition. Chairman Flynn stated that there are local zoning issues, which need to be addressed as the proposed use of the subject property exceeds the current zoning requirements. Chairman Flynn noted that the applicant is currently involved in discussions with the City regarding these issues. Chairman Flynn asked if the project is dependant upon the HUD 202 grant application. Mr. Gordon indicated that the HUD 202 grant application is in fact one of forms of the financing. Chairman Flynn asked Mr. Gordon to explain the process of said application and what the likelihood of the Arc of Blackstone Valley being successful in securing said funding. Mr. Gordon stated that the Arc of Blackstone Valley is diligently preparing the application at this time. The completed application is due in June or July of 2009, and the awards will be announced in November or December. Mr. Gordon indicated that the Arc of Blackstone Valley is applying for other additional financing as well. Mr. Gordon indicated

that the schedule is essentially the same for those awards. Mr. Gordon explained that once the Arc of Blackstone Valley obtains financing approval, it would be approximately another six months before it would close of the property and commence construction. Mr. Gordon explained that demonstrating site control to HUD is imperative in order to even be considered for the award. Mr. Gordon explained that site control is exhibited through either an option or a purchase and sale agreement or by actually owning the property. He indicated that ownership of the property is certainly the best way to exhibit site control. Mr. Gordon explained some of the conditions of a successful HUD 202 application. Mr. Gordon noted that the Arc has previously received several HUD 202 awards in the past and explained that showing a track record is an extremely important element of a successful application. Mr. Gordon stated that location is another important factor. He noted that the subject property's location is phenomenal. It is in close proximity to all kinds of necessary services; however, the site is not directly on a busy roadway. Chairman Flynn asked how many grants were awarded per year. Mr. Gordon noted that usually two grants are awarded each year. He stated that at this time, it is the Arc's goal to obtain approval of the Option Agreement and the Quit Claim Deed so that it can continue to proceed through the process. Chairman Flynn clarified that one of the benefits of selling the property is to avoid having to incur the cost of renovating the property in order to bring it into compliance with the current code requirements, which would cost several hundred thousand dollars. Mr. Kay asked when the State of

Rhode Island was last awarded a HUD 202 grant. Mr. Gordon indicated that the every year the State of Rhode Island is awarded a minimum of one (1) HUD 202 grant and very often two (2) HUD 202 grants are awarded. Mr. Woolley indicated that at this time he is prepared to move for the approval of the Option Agreement; however, he is not comfortable with approving and executing the Quit Claim Deed in the absence of a scheduled closing of the property. After further discussion, a motion was made by Mr. Kay to approve the Option Agreement and Quit Claim Deed but to delay executing the Quit Claim Deed until such time as the closing of the property has been scheduled. Said motion was seconded by Mr. Griffith.

**Passed Unanimously**

**ITEM E – Department of Transportation – A request was made for approval of and signatures on a Quit Claim Deed conveying 1.5 acres of land to the Pawtuxet River Authority & Watershed Council. Mr. Clarke explained that in June 2006, human remains were unearthed along Route 37 in the City of Cranston due to erosion from an unusually wet spring season. Mr. Clarke stated that said remains were from the State Farm Cemetery for the poor and indigent located in the Howard Complex. Mr. Clarke indicated that State Institution Cemetery No. 2 has been identified as the site for the re-interment of said remains. Mr. Clarke indicated that the remains of sixty-seven (67) bodies are in the process of being moved to State Institution Cemetery No. 2. Mr. Clarke stated that the total cost of this project is \$250,000.00, which is being funded by the Federal Highway Administration. Chairman Flynn asked if the developer has**

contributed any money toward the total cost of this project. It is Mr. Clarke's understanding, that the project is being one hundred (100%) percent funded by the Federal Highway Administration. Chairman Flynn asked if the project has been completed. Mr. Clarke stated that the project will be completed in the very near future. Therefore, the Department is seeking approval and execution of the Quit Claim Deed by the State Properties Committee to ensure the recording of the documents will coincide with the completion of the project. Chairman Flynn commended the Department of Transportation for the remarkable job it has done in terms of finding an appropriate and final resting place for the remains of these individuals. Mr. Clarke credited Mr. Hebert of the Department of Transportation as the driving force behind this project. A motion was made to approve by Mr. Kay and seconded by Mr. Griffith.

**Passed Unanimously**

**ITEM F – Department of Transportation – A request was made for approval of and signatures on two (2) Temporary Easement Agreements by and between the Department of Transportation and RAB Properties, LLC and by and between the Department of Transportation and Elaine S. Weiss Trust in connection with the Rehabilitation of the Industrial Bridge No. 882 in the City of Providence. Ms. Kerr explained that the Committee granted the Department request for approval to forward written offers to RAB Properties, LLC and the Elaine S. Weiss, Trust, on March 31, 2009 in conjunction with the Industrial Bridge No. 882 in the City of Providence. Ms. Kerr stated that the property owners have accepted**

**the offers and executed the Temporary Easement Agreements. The Department is before the Committee today seeking its approval and execution of said Agreements. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM G– Department of Transportation – A request was made for conceptual approval to sell approximately 7,413 square feet of State-owned land located at the SE Quadrant of Routes 1 and 78 in the Town of Westerly. Mr. Glynn presented aerial photographs of the subject property for the Committee’s review. Mr. Glynn explained that Dodge City Realty operates a Chrysler dealership on abutting premises. Mr. Glynn stated that a portion of the subject property is presently being leased to the applicant for additional vehicle parking. Mr. Glynn stated that the Department of Transportation’s Land Sale Committee has been approved the acquisition subject to the preservation of a utility easement and some existing trees. Chairman Flynn asked who will appraise the subject property. Mr. Glynn indicated that an in-house appraisal will be conducted to determine the value of the property. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.**

**Passed Unanimously**

**ITEM H – Department of Transportation – A request was made for approval of and signatures on a License Agreement with Builders Realty, LLC for use of 555 square feet of State-owned land located at 2750 South County Trail in the Town of East Greenwich. Mr. Coppotelli explained that Builders Realty, LLC wishes to enter into a**

**License Agreement with the Department of Transportation for the use of 555 square feet of State-owned property for the purpose of vehicle parking. The fee is fifty (\$50.00) dollars per month for a period of five (5) years. Mr. Coppotelli indicated that at the end of the third (3rd) year, the fee will be re-evaluated. Mr. Coppotelli stated that the Department of Transportation's Land Sale Committee approved the License Agreement on September 15, 2008. Chairman Flynn asked if the subject property is currently being licensed. Mr. Coppotelli stated that he is not aware of any past or present license agreement of the subject property. Chairman Flynn noted that from the photographs, there appears to be an existing encroachment and that the property has in fact been paved for purposes of vehicle parking. Mr. Coppotelli indicated that a law firm owns the building under the name of Builders Realty, LLC and that said building was sold to Builders Realty approximately six (6) months ago. At that time, the Department became aware of the existing encroachment and informed Builders Realty, LLC that it would have to enter into a license agreement in order to utilize the subject property for vehicle parking. A motion was made to table this item to a future meeting of the State Properties Committee in order to afford the Department of Transportation an opportunity to determine the length of said encroachment and to determine a value, which accurately reflects the total amount of retroactive rental payments due and owing to the State of Rhode Island as a result of said encroachment by Mr. Woolley and seconded by Mr. Kay.**

**Passed Unanimously**

**Under discussion, Chairman Flynn commended the Department for resolving the issue of unauthorized use of the subject property going forward; however, he indicated that in the recent past, the Committee has requested that State-agencies seek retroactive compensation from the onset of an existing encroachment. Chairman Flynn noted that as the building was recently purchased by Builders Realty, LLC, the Department may have to seek retroactive compensation from the previous property owner. Mr. Coppotelli asked Chairman Flynn to clarify whether the Department should seek retroactive compensation from the present building-owner, or if it should attempt to collect retroactive compensation from the previous owner. Chairman Flynn stated that the Committee is requesting that the Department attempt to determine approximately when the encroachment began and the party responsible for the unauthorized paving of the property. Mr. Flynn noted that once the Department secures that information perhaps it can determine an entity that may still exist that the State of Rhode Island could assess retroactive rental payments against. Mr. Coppotelli assured the Committee that he would make his best effort to obtain the requested information.**

**ITEM I – Department of Administration – A request was made for approval of and signatures on a License Agreement to allow Rhode Island Pride to utilize Station Park on June 19, 2009, through June 21, 2009, for the annual Rhode Island Pride Festival Celebration. Mr. Schiappa explained that Rhode Island Pride has been waiting patiently while the State of Rhode Island has developed a new policy concerning public use of Station Park. Mr. Schiappa noted that**

Station Park has been under construction for approximately two (2) years. All landscaping and improvements have been completed and the Division of Facilities Management is confident that at this time the site is ready to be utilized for some public use and organized events subject to certain conditions and restrictions. Mr. Schiappa stated that the new policy has been established in order to protect the State's investment relative to this park. Mr. Davis explained that this year will mark the 33rd year of the Pride Festival. Mr. Davis indicated that in the past Rhode Island Pride has utilized Station Park for this event from 2001 through 2006 prior to the recently completed construction. Mr. Davis explained that the event is a general festival, which includes performers, vendors and entertainment. Mr. Davis noted that Rhode Island Pride has been developing an event plan with Facilities Management in ensure that that Pride Festival will not cause any damage beyond normal wear and tear so that Station Park will be available for use for many years to come. Mr. Kay asked if the vendors have submitted the necessary and appropriate certificates of insurance. Mr. Davis indicated that Rhode Island Pride requires the vendors to submit the appropriate certificates of insurance prior to the event. Mr. Davis explained that as Rhode Island Pride coordinates with the Rhode Island Division of Taxation relative to this event, the vendors are required to apply for and receive their tax certificates through Rhode Island Pride. Mr. Griffith asked if there is a usage fee associated with the use of Station Park for this event. Mr. Schiappa stated that the Division of Facilities Management has assessed a \$4,250.00 usage fee for this event. Mr. Griffith asked if

**Rhode Island Pride has provided the Division of Facilities Management with the appropriate certificate of insurance. Mr. Schiappa stated that the Division of Facilities Management has not yet received the certificate of insurance due to the fact that the new policy and requirements were only very recently established. Mr. Schiappa indicated that he is confident Rhode Island Pride will furnish the Division with any and all requested and necessary documentation well in advance of the event's commencement date. Mr. Schiappa indicated that the Division of Facilities Management will provide a copy of the finalized event plan to Amtrak in accordance with the State of Rhode Island's agreement with Amtrak concerning use of Station Park. For the benefit of the Committee, Chairman Flynn stated that a meeting sponsored by the Department of Administration was held on Thursday, May 7, 2009. Chairman Flynn noted that several of the larger organization interested in licensing Station Park together with Director Sullivan of the Department of Environmental Management, who is also a turf management expert, attended said meeting to discuss many of the issues concerning public use of Station Park and after considering the input and concerns of all parties, the Department of Administration further revised the policy to address said concerns. A motion was made to approve subject to the submission of the appropriate certificate of insurance to the Division of Facilities Management by Mr. Griffith 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 to enter Executive Session was made 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. Woolley voted “Aye” Mr. Kay 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 11:38 a.m.**

**ITEM E1 – Department of Transportation – A request was made for approval to lease parking spaces to Anthony Izzo as part of a tentative agreement to settle litigation in which the Department of Transportation is a defendant. After discussion in Executive Session, a motion to table this item to the next scheduled meeting of the State Properties Meeting 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 11:40 a.m. A motion was made to adjourn by Mr. Griffith and seconded by Mr.**

**Woolley.**

**Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary**