

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, DECEMBER 8, 2009

The meeting of the State Properties Committee was called to order at 10:08 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Genevieve Allaire Johnson representing the Rhode Island Department of Attorney General; Robert W. Kay and John A. Pagliarini, Public Members; and Xaykham Khamsyvong 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 Pickering from the Rhode Island Senate Fiscal Office; Director Michael P. Lewis, David Sasso, Daniel Clarke, Paul Carcieri, Christine Brien, Annette Jacques and Richard Kalunian from the Rhode Island Department of Transportation; Lisa Primiano and Joseph Dias from the Rhode Island Department of Environmental Management; Kenneth Burke from the Rhode Island Water Resources Board; Bailey McRae from the Rhode Island Office of the General Treasurer; Linda Painter from the City of Providence; Robert Stolzman from the law firm of Adler, Pollock and Sheehan; Patrick Tedesco from Chan, Krieger and Sieniewicz of Boston; Michael Walker from the Rhode Island Economic Development Corporation; Daniel Baudouin from The Providence Foundation.

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

ITEM A – Department of Transportation – A request was made to present information regarding the Redevelopment and Marketing Analysis Plan-Route I-195 Surplus Parcels. Director Lewis indicated that the Department of Transportation (the “Department”) is very pleased to be before the State Properties Committee to share information regarding the opportunities that are before the State of Rhode Island

(the “State”) and the City of Providence (the “City”) to redevelop the land, which is being made available as a result of the removal of the old Interstate 195. Director Lewis indicated that many of the benefits of the I-Way project are being realized from a transportation prospective; however, one of the most exciting things for the State and the City is the opportunity that said project will produce in terms of redevelopment in the City. Director Lewis stated that there are numerous issues regarding the land, one of which is the necessity to realize value from the sale of the land as required by the Federal Highway Administration (the “FHA”). However, none of these issues displace the economic development opportunities for the City and State in the long term. Director Lewis explained the Department, the Rhode Island Economic Development Corporation (the “EDC”) and the City became engaged in the Chan, Krieger and Sieniewicz study seeking guidance to proceed to the next step with regard to land development. Director Lewis noted that today’s informational presentation is merely a step in the process; it is not an ending and the parties are eager to answer any questions and/or address any concerns at this time. Director Lewis asked Attorney Robert

Stolzman to provide the Committee with a summary of the project. Mr. Stolzman explained that the State, the EDC and the City entered into a partnership in an effort to coordinate a plan for the reutilization of approximately thirty (30) acres of land realized as a result of the relocation of I-195; ten (10) acres of which will be utilized for road reconstruction as well as open space land designated in the Record of Decision. Mr. Stolzman noted that DOT has done an excellent job of designing and relocating I-195. Likewise, the EDC, from an economic development view point, has done an exemplary job of emphasizing the necessity to integrate the redevelopment of the remnant parcels of land into the economy. The Providence Foundation (the "Foundation") and the Chamber of Commerce, on behalf of the private sector, have done a commendable job of analyzing the opportunities for the State of Rhode Island resulting from the I -195 Relocation Project and the remnant land which became available. Further, the City has done a tremendous job of updating its Comprehensive Plan. However, Mr. Stolzman indicated that it became clear that none of the parties had envisioned a unified plan from a Statewide and Citywide prospective as to how to move forward both procedurally and substantively with the reutilization of the remnant parcels of land. Therefore, the Department, the City and the EDC collaborated in the development of a Request for Proposals ("RFP") to solicit bids for a consulting firm to conduct an analysis of the remnant parcels of land from a planning, real estate, environmental and zoning prospective. The RFP yielded in excess of twenty (20) responses from Toronto to Washington, D.C. The parties

unanimously chose the consulting firm of Chan, Krieger and Sieniewicz (“CKS”) of Boston as the successful candidate as it was abundantly apparent said firm had the experience to fulfill the aforementioned criterion of the RFP. Mr. Stolzman indicated that the members of the Committee may recognize the name Krieger, as Alex Krieger was extremely active in the planning of Providence’s Jewelry District as well as working with the Rhode Island School of Design on its institutional plan in the 1980s and 1990s. Mr. Stolzman explained that it was clear from the preliminary analysis that there were already in excess of twenty (20) planning documents circulating as part of the public record over the past twenty-five years. Therefore, the parties examined the myriad documents in an effort to determine whether there was a consensus vision contained therein. Mr. Stolzman listed the different plans with similar goals, which were examined by the parties for purposes of reconciliation. Mr. Stolzman explained that with the assistance of CKS, the parties determined a vision consisting of four (4) primary goals: (1) The Department of Transportation, in accordance with the financing plan, is required to realize some value from the remnant parcels of land, which resulted from the relocation of the highway. (2) The second goal, which is recognized in the Record of Decision as well as public policy, is to optimize the real estate value from a tax basis stand point for the City of Providence. Currently the subject property is not on the tax rolls and further the relocation of the highway has taken other properties off the tax rolls; therefore, the parties would like said properties returned to the tax rolls. (3) The third goal is economic development.

Mr. Stolzman stated that the decentralization of the retail and manufacturing urban core through the twentieth century has left a vacancy of jobs and tax base. (4) The fourth goal is urban renewal and planning. Mr. Stolzman explained that the Iway Project has created new opportunities to reconnect the Jewelry District with Down City. Mr. Stolzman stated that the unification of the Jewelry District and Down City vision has become one of the more exciting aspects of the project and the process has included myriad meetings with City Planners, the Providence Foundation, the Rhode Island Historical Preservation and Heritage Commission, the Chamber of Commerce, numerous neighborhood organizations and City Councilmen. Mr. Stolzman noted that the parties participated in the City's comprehensive plan charette process, while simultaneously the City Providence is working toward updating its neighborhood plans for the Planning Board's review. Further, an opportunity arose to combine CKS' due diligence with the City's planning process to ensure that both the State and City's priorities were aligned. In addition to its planning expertise, CKS brought to the table its partner Jones, Lang and La Salle who shared their expertise in real estate development and economic matters. Jones Lang and La Salle is a nationally recognized company with expertise in development, leasing, financing and marketing properties. Mr. Stolzman indicated that in addition to planning and market analysis, the third component of the report relates to environmental issues. Mr. Stolzman explained that many of the remnant parcels were originally industrial sites, jewelry sites and chemical sites, which were paved over for purposes

of creating the I-195 as we know it today. The Department of Transportation and Director Lewis have been adamant that a suitable strategy be thoughtfully and carefully developed and implemented regarding the environmental issues relating to this property. Mr. Stolzman noted that at one extreme, there is the caveat emptor approach, whereby the parties would refrain from any sort of remediation of the property and merely see what the market will bear for the property as is; or at the other extreme, the parties could tirelessly excavate and remediate the property to create a pristine environment without having had the benefit of identifying what the future uses of said property will be. However, an alternative environmental strategy has been devised by Fuss and O'Neill, a local environmental engineering company with an extensive history of work throughout the State of Rhode Island. The fourth and final member of the consulting teams is Code Studio of Austin, Texas, which is a specialty firm that analyzes community zoning and planning ordinances to assist communities in designing appropriate regulatory structures and frame works for the reutilization of property as well as assisting them with the implementation of zoning and planning requirements. Mr. Stolzman stated that in conclusion, the, so called, Krieger Report arrives at an overall vision of how the properties could layout in use, makes some direct observations regarding market absorption and makes further recommendations concerning sequencing, in order to ensure that a parcel by parcel plan exists. Further, the report advocates a strategic environmental approach which recommends the completion of certain due diligence,

but encourages that a middle-of-the road approach be adopted rather than engaging in a total remediation of the remnant parcels preparing them for any and all uses prior to determining exactly what those potential uses would be. However, the owner, prior to offering the property for sale, should have a clear understanding of the types of environmental issues that may exist. Mr. Stolzman explained that the report also recommends a disposition strategy, which calls for a “project champion” to determine and recommend a plan for the sale and disposition of the property to the State Properties Committee. Mr. Stolzman noted that Mr. Tedesco will present approximately twenty (20) slides for the Committee’s review to further explain the information which he has provided thus far relative to the reutilization and market analysis of the remnant parcels of land. Mr. Stolzman stated that the parties are not seeking the Committee’s approval to dispose of any particular parcel of land at this time; the purpose of today’s presentation is to explain the overall unified vision of the parties and to provide the Committee with as much information regarding the redevelopment plan as possible. Director Lewis reiterated that this project involves four (4) primary objectives. He noted that some of these objectives are competing and believes that the State and City need to find a mutually beneficial balance amid the potentially conflicting goals. Director Lewis addressed the notion of a “project champion” explaining that it has been his experience that any project with multiple leaders in fact has no leaders. Therefore, the Department wants to be very clear that it intends to allocate the daily responsibilities associated with the management of the

redevelopment project to a single entity. The Department genuinely believes that the EDC should in fact be that champion; however, the Department will, of course, retain an oversight leadership roll in the decision making process and in the management of the project as the Department is ultimately responsible for the land and for the fiduciary obligation to the Federal Highway Administration. Therefore, the Department is entering into an agreement with the EDC and the City to assign the responsibility of moving this project forward to the EDC; thereby, appointing the EDC as the “project champion” on the Department’s behalf. The EDC will work together with the other entities and institutions to develop a marketing plan, which will ensure that the State of Rhode Island and the City of Providence obtain the best result that can possibly be achieved. That being said, Director Lewis introduced Patrick Tedesco of CKS and asked that he provide the Committee with any further information he deems pertinent. Mr. Tedesco commented that as Mr. Stolzman so effectively summarized the goals of this effort, he would not expound further on that presentation, but instead would give a brief synopsis of the Krieger Report to provide the Committee with a general sense of what information was compiled and analyzed in the preparing the same. Mr. Tedesco also wished to describe the teams and how they represent all the disciplines involved in this effort such as economic strategies, finance strategies, examining the actual development potential of the sites from an economic standpoint as well as a physical standpoint, the urban design and planning that CSK brought to the effort as well as the regulatory analysis, reviewing existing

zoning and examining environmental issues. In addition to CKS's many contributions, Mr. Tedesco stated that all of this was accomplished as a result of the tireless efforts and expertise of both Fuss and O'Neill and Code Studio. As Mr. Stolzman mentioned, CKS has been involved in the planning of Providence for many years. Alex Krieger, in particular, is extremely familiar with both the planning and development of Down City and the surrounding areas. Mr. Tedesco indicated that approximately ten (10) years ago, Mr. Krieger was involved with the first Down City charette together with Andres Duany and Elizabeth Zybek. Mr. Tedesco stated that Alex Krieger is very familiar with the ongoing planning and renaissance in Down City, the Jewelry District, College Hill and referenced his long standing relationship with the Rhode Island School of Design. Mr. Tedesco explained that CKS not only has an intimate understanding of the City of Providence, but more importantly has a great appreciation for the State's and City's remarkable record of implementing grand plans. Mr. Tedesco noted that the current Iway Project is really just the latest example of that long standing record. CKS is very excited for the opportunity to look beyond the demolition of the highway and envision the tremendous opportunities presented by the disposition and redevelopment of all of the parcels as seen on the graphic overlay before the Committee. Mr. Tedesco explained that the overlay illustrates the proposed layout of the parcels and streets and allows the Committee to actually see the impact of not only the highway, but of all the ramps and physical barriers, which presently stand between Down City and the Jewelry District, but will soon be removed.

Director Lewis noted that with the opening of the Iway last month, the old I-195 is ready to be torn down. The contract for that portion of the project is going out to bid and during the calendar year 2010, the old highway will be removed. Director Lewis stated that by summer of next year, the public will be walking through this area and will realize just how close the Jewelry District is to Down City. Mr. Tedesco indicated that one of CKS' ambitions is to describe what the future development will look like beyond just the physical plan. They intend to explain the scope of the demolition so that people can understand what has to happen before these parcels can be developed. Mr. Tedesco commented that if he could sum up the effort in one sentence, it would be to try to identify anything that might deter or affect the realization of the redevelopment of the remnant parcels. Mr. Tedesco stated that through the due diligence process, CKS will advise the Department and the EDC precisely what it will take to develop these parcels, perceive future obstacles, recognize existing opportunities, identify any and all physical, regulatory and environmental constraints associated with the project and illustrate what good planning suggests for the future development of these parcels. Mr. Tedesco stated that CKS has expended a tremendous amount of time familiarizing itself with the existing records/plans, which were utilized to prepare the synopsis of all the plans that have been proposed over the years, which the Committee will find in the report. Mr. Tedesco presented an image illustrating the zoning currently assigned to each of the subject parcels. He noted that there are two (2) different numbers in each of the zones and clarified that

one of numbers represents the current height limitation in accordance with the City's Zoning Ordinance, and the other number, in green, represents the height threshold that was recommended by the 2020 Plan. Mr. Tedesco indicated that the Down City charettes have recently been updated and determined that the process of amending the City's Zoning Ordinance is presently ongoing. Mr. Tedesco explained that the team needed to understand what the current zoning meant to these particular parcels both in terms of height and use. They needed to make sure that there are no provisions in the current zoning that would render development of the parcels impossible or seriously impede the project. CKS learned that there is a great deal of flexibility in terms of the City Zoning Ordinance. The current zoning recommends mixed-use development, which is important for revitalization of neighborhoods. Mr. Tedesco stated that the specific recommendations that the Krieger Report makes deal more with form based zoning strategies, using other mechanisms beyond those that currently exist to ensure that the Iway parcels are developed properly; that they respect the street level and that they respect the historic scale of the neighborhood. Mr. Tedesco stated that the last thing anyone wants to see on these parcels is surface parking, although parking may actually be the most reliable short-term use for some of these parcels. Therefore, restrictions and limits need to be placed on the use of these properties relative to parking. As there is no shortage of surface parking within the Jewelry District, Mr. Tedesco indicated that more of it would simply create another type of physical barrier. Mr. Tedesco explained that

Code Studio made specific recommendations concerning form based mechanisms, regarding larger district wide parking strategies that would encourage development in the Jewelry District in particular by consolidating parking requirements across multiple parcels into a centralized facility or perhaps a public parking garage, paid for by the developers via a prearranged fund to support such an effort. Mr. Tedesco indicated that there are various creative mechanisms and strategies addressed in the report that are atypical from traditional zoning mechanisms, but that are more creative ways to ensure proper development of these parcels. Mr. Stolzman noted that to look at this plan as a north/south plan as opposed to an east/west corridor may be the most important aspect of this plan as to do so will be integral to the economic development and value extraction from the site, because of the rich Down City office space and the rich architecture of the jewelry District particularly on the west side of the river. Mr. Tedesco went on to explain the corridor was broken into two (2) sections beginning on the east side of the river, and each presents very different opportunities, a very different scale of development than is seen with parcel 1 through parcel 10 along the base of College Hill and Fox Point. Mr. Tedesco asked that the Committee direct their attention to the corridor plan, particularly noticing the parcels located between South Main and South Water Street and running down toward the bay. Mr. Tedesco indicated that there are also tremendous opportunities which will improve Wickenden Street and the connection across the river. Mr. Tedesco stated that in the interest of time, he did not intend to explain each and every slide before the

Committee, but noted that a number of diagrams can be found in the report, which focus on the technical restraints of the parcels. Mr. Tedesco selected several more of the slides/graphics before the Committee and provided a detailed description and explanation of the same. Mr. Tedesco stated that said graphics are not representative of the final configuration of the parcels; however, the team considered economic factors, planning factors, physical factors such as lot size, street layout and available utilities and attempted to suggest likely and feasible development scenarios. The team then tested those scenarios against alternative options such as developments with less height, more height and different uses. However, the team's main objective was to create snapshots of each of the parcels to begin to advance discussions regarding the types of developments that may eventually be built as well as what incentives could be put in place to encourage the most beneficial development. Mr. Tedesco explained that these slides were merely typical examples of each of the analyses performed relative to the parcels. Mr. Tedesco indicated that in some cases the team considered how certain parcels could be packaged; he provided examples of how combining certain individual parcels to create a larger parcel of land may render the property more desirable and perhaps result in a superior development. Mr. Tedesco presented several more graphics depicting different scenarios of the various parcels. Mr. Tedesco noted that Parcel P4, designated as a public park, had a tremendous impact the team's thoughts and ideas about possible opportunities for the development of parcels that front the park as well as the desire to not only activate the edge of that

park, but be respectful of its future relationship to the City and to the riverfront. Mr. Tedesco explained that some of the other influences were the mapping of the institutional uses, certainly the presence of property ownership by Brown University and its plans for the Jewelry District, the presence of Johnson and Wales and its master plan which has been made very public. The team considered the impact of both institutions as well as the opportunities. Mr. Tedesco stated that the team also considered what might happen in the event all of the Jewelry District land was developed by institutions, which is not something the team advocates. There need to be opportunities for other commercial developments and mixed-use developments to avoid creating a corridor consisting of only institutional uses. However, the report is also very clear about the opportunities which exist because of the institutional presence; not merely for development by those institutions, but by related development as well, particularly science and research developments. Chairman Flynn asked Mr. Tedesco to explain the significance of the various colors shows on the graphic. Mr. Tedesco explained in detail what each of the colors signified and indicated that the report clarifies the same. Mr. Tedesco was asked to illustrate the exact location of Brown's proposed medical school. Mr. Tedesco pointed out the proposed site for the medical school and explained that early in this process, there was a substantial amount of public discussion regarding what the construction of the medical school would mean for the area. Mr. Tedesco stated that Johnson & Wales University, in particular, was very open and up front and commented that its master

plan lays out a very clear and reasonable vision for some of the parcels. Mr. Tedesco noted that there are a few slivers of land, which would be very difficult, if not impossible, for anyone to develop without partnering or acquiring the abutting properties already owned by Johnson & Wales University. Mr. Tedesco indicated that he was introducing the next particular diagram because the team looked at a couple of scenarios that might re-think the street alignment. Mr. Tedesco explained that parcel 25 is the largest parcel available and because of the historic street grid, the team suggested that there was an alternative alignment that introduced a street running east to west. Therefore, rather than Eddy Street running through as it is currently proposed and dead ending at the courthouse (as it once continued into Down City), it may be feasible to create an alternative alignment for Eddy Street. Mr. Stolzman mentioned that one aspect of the report that was not put onto slides because it would not have converted well is the narrative on market analysis. However, Mr. Stolzman assured the Committee that there are dozens of pages addressing the same. Mr. Stolzman noted that in 2008, in the middle of preparing the market analysis the State of Rhode Island was hit by a recession that greatly impacted real estate values. Mr. Stolzman explained that all aspects of potential real estate development including science and research facilities, retail developments, the housing market and commercial office space were impacted. Mr. Stolzman noted that Jones, Lang and LaSalle to their credit, did not throw their hands up and just walk away. Instead, they suggested that they test what the most likely absorption opportunities are. Mr. Stolzman noted that they informed

the EDC that there is this great Jewelry District effort underway, there is a vibrant Down City as the result of planning, but there will be substantial excess capacity coming on line. What Jones Lang and LaSalle suggests that the EDC leverage as many of the existing opportunities available and that is why Mr. Tedesco and CKS expended a substantial amount of time analyzing the impacts of Lifespan, Brown University and Johnson & Wales University because those institutions have growth plans already in process. Mr. Stolzman feels it is an opportunity for the State of Rhode Island to pursue. Mr. Stolzman indicated that the market will continue to be tested in order to align the absorption pattern with the Department's construction plans for redeveloping streets. Director Lewis stated that timing is the most critical aspect of the strategic planning for the disposition of land; even more so than it was eighteen months ago. Director Lewis indicated that the Department will be tearing down the highway bridge and will design a replacement pedestrian bridge, which will enhance the College Hill area. Mr. Stolzman stated that state law requires disposition of State-owned properties to come before the State Properties Committee. He anticipates that the EDC, the City and the Department will continue to work collaboratively to formulate a disposition plan as well as working with the private sector including the Providence Foundation and community groups to ensure that the parties constantly received updated information and input regarding the disposition strategies. Mr. Stolzman also stated that the parties will return to the Committee with updated information and will make themselves available should the Committee wish to

address the parties with any questions or concerns throughout the process. Director Lewis stated that this is a once in a lifetime opportunity and the parties involved want to get it right. Chairman Flynn thanked the panel for the presentation and for the Krieger Report as well and noted that it contained a tremendous amount of information. Chairman Flynn stated that he is sure everyone is aware of how the recession has affected land values and the potential interest of the private sector in any of these properties; however, he would like to know Mr. Stolzman's thoughts regarding how it could affect the institutional interest as they have also been afflicted with the recessionary pressures such as loss of endowment, etc. Mr. Stolzman stated that at the commencement of this process it was publicly reported that both Johnson & Wales University and Brown University had a much larger appetite for capital expenditure than they did after a their loss of endowments due to stock market losses in the fall of 2008. Brown University has announced its plan to construct a medical school at the 222 Richmond Street site and still has an interest in expanding in the Knowledge District. Brown University is an enthusiastic participant in discussions with the University of Rhode Island, which is very interested in being involved in the Knowledge District discussions. The Providence Foundation has been working very hard with the institutions to assist them to collaborate with the private sector property owners. Mr. Stolzman indicated that EDC has been in constant contact with all of the hospital service providers. From an economic standpoint, Rhode Island has a uniquely robust and vibrant health care sector. Rhode

Island has numerous hospital facilities and a tremendous research institution at Lifespan in conjunction with the medical school. Therefore, Lifespan is very eager to expand in an entrepreneurial way as well. Mr. Stolzman thinks it is fair to say that from an economic standpoint, the recession hurt, but it did not eradicate any of the planning. Director Lewis agreed with Mr. Stolzman's statement regarding the affects of the recession on the institutions and added that it created complications that were not necessarily perceived eighteen (18) months ago, but he does not believe it changes the playing field at all. Mr. Pagliarini indicated he was speaking from a vast real estate background as a land use attorney, as a former town planner, a certified tax assessor and a real estate broker. Mr. Pagliarini stated that he does not like the idea of all the streets that will have to be constructed as the State of Rhode Island or the Department of Transportation will be responsible for the cost of installing utilities and everything underground. Mr. Pagliarini stated that as a property tax attorney conducting a lot of business in the City of Providence, he believes there is an inverse valuation process in the City. Mr. Pagliarini explained that if you had three (3) three thousand square foot lots located Down City being utilized as parking spaces said property would be valued at one \$1 million dollars. He went on to say that if you had one (1) nine thousand square foot lot, its possible said property could be valued at \$1.5 million dollars. Mr. Pagliarini stated that larger parcels of land are scarce in the City. He believes values are increased by retaining larger parcels in the urban core. A lot of the little side streets that the Department will have to

bear the cost to build, might not necessarily be the best use of land from a valuation standpoint. Mr. Pagliarini recommended that parties take a much closer look at the parcels, particularly parcels 2, 3 and 5. He does not believe that it makes much sense to have those streets leading to the water as there is nothing to gain from connecting one portion of the City to another in that particular instance. Mr. Pagliarini pointed out that the buildable area where the street is located is lost, the Department will have to pay the cost of building the street and it is his belief that someone will pay more for a larger parcel of land than will be realized from the sale of three (3) smaller parcels of land in the City. Mr. Pagliarini indicated that this theory applies to some of the other parcels as well. Mr. Pagliarini stated that he has served on the State Properties Committee for the past couple of years and during his tenure has often had serious misgivings regarding the State's ability to effectively negotiate. Time and again, he has seen an entity approach an agency to express an interest in purchasing State-owned property; the State has traditionally assessed a value and moved forward with a sale. It is Mr. Pagliarini's opinion that it would greatly benefit the State to have an alternative plan and indicate that the State intends to designate some of the land as open space next to a few of these abutting properties and the price will be driven considerably higher. Mr. Pagliarini feels that when the Department declares that it merely wishes to sell property and then allow the buyer to benefit from an assemblage, it quite possibly drives the property's value down. However, if the State represented to a potential buyer that unless it realized the predetermined

compensation, the State would prefer to designate the subject property as open space, which he believes would drive the property's value upward. Mr. Pagliarini reiterated his concern regarding the cost of constructing the proposed streets and noted that the presentation failed to address the issue of the projected cost of the same. Mr. Pagliarini indicated that he did in fact have an opportunity to read the report and noted that the utilities have been examined; however he believes that it is possible that stubbing it on two ends and finding a loop around may be more prudent than constructing the intersecting street. Director Lewis stated that Mr. Pagliarini raises an excellent point and suggested that at a future meeting, the street plan be discussed in more detail. Director Lewis stated that some of Mr. Pagliarini's concerns were shared by the Department and its experts; however, issues concerning traffic circulation and compliance with original Environmental Impact Statement (the "EIS") influenced and/or limited available options. Director Lewis stated that particularly on the west side of the property there is limited reconstruction with the exception of the east to west corridor. Director Lewis reiterated that the panel would be glad to return to the Committee with a detailed presentation of the street configuration. Mr. Stolzman stated that both the EDC and the City, from tax base standpoint, would agree that Mr. Pagliarini has made very astute observations in terms of attempting to maximize value. Mr. Stolzman noted that one of the reasons the parties collaborated was to bring additional ideas, suggestions and resources to the traditional method of disposing of property. Mr. Stolzman stated that the parties want

this process to be value driven. Not necessarily based upon square footage, perhaps employment value, circulation value or driven by any of the other previously discussed values rather than putting a “for sale” sign on all of the parcels and waiting to see what happens, which in some cases would not necessarily be a bad thing. However, as previously stated by Mr. Pagliarini, these parcels require more strategic thinking. Mr. Pagliarini stated that there is a lot to be said for a cohesive plan rather than selling parcels piecemeal. Mr. Pagliarini noted that he and Mr. Kay serve on the Committee as representatives of the public; a charge that is taken very seriously by both public members. Mr. Pagliarini clarified that his comment was not intended to imply that any member of the State Properties Committee is anything less than entirely conscientious. However, Mr. Pagliarini emphatically stated that the Department and or the EDC would have to present overwhelming evidence to persuade him to approve the conveyance of any property, which the Director himself has deemed to be “ the opportunity of a lifetime” to be sold to a non-profit organization. That will not pay the much needed taxes to the City of Providence. Mr. Pagliarini addressed Mr. Stolzman’s comment regarding Down City, stating that the State is approaching an all time high relative to vacant office and retail space; Mr. Pagliarini noted Down City is similarly mired in a continually increasing vacancy rate of residential properties. Mr. Pagliarini stated he counted in excess of 106 proposed residential dwelling units on parcels 2, 3 and 5; he does not see that absorption rate into the market place at the current time. He is unsure whether the parties

have alternatives for said proposal or if the intention is to wait perhaps ten (10) years; however, he assumes the Director needs the revenue sooner rather than later. Chairman Flynn reasoned that Mr. Pagliarini's contention could probably be valid criticism of any use the State chose to assign to the parcels at the present time. Mr. Pagliarini indicated that could possibly be true, but he stated that currently residential use is slightly more difficult than assigning commercial use to most properties. Mr. Pagliarini noted that while reviewing the graphic display of all the proposed changes, he found it interesting that the parking requirements designated 1.5 spaces per dwelling unit and 1 space for every 500 square feet of retail space. These requirements compel a lot of on-street parking, which represents significant revenue for the City of Providence in view of the number of streets and parking meters. Mr. Pagliarini would be very interested to know what the off-site parking requirements are going to be as far as required parking garages, etc. Mr. Pagliarini noted that during Mr. Tedesco's presentation he briefly mentioned the zoning requirements of the City of Providence. Mr. Pagliarini stated that the issue of zoning has given him pause because some of the valuations that have previously come before the Committee are based upon current zoning and not proposed zoning. Mr. Pagliarini stated that he would not be receptive to approving the sale of any parcel of land until he knows that the City of Providence has re-zoned the property. Mr. Pagliarini explained that it is not prudent to approve the sale of a parcel upon which a 75 foot structure can currently be built for "X" amount of dollars knowing that it could possibly be built up to

225 feet six (6) months after it is sold. Therefore, it is Mr. Pagliarini's opinion that the City of Providence needs to complete its zoning requirements prior to a request for approval to sell property is brought before the Committee. Mr. Stolzman clarified for the public record that relative to the majority of the parcels, the City's existing zoning and the proposed zoning changes are not so disparate as to create a radical difference in the value of the land. Mr. Stolzman noted that he is not aware of any 125 foot adjustment in the City's height requirements, but he will see to it that the issue is reexamined.

Mr. Stolzman stated that most of the height adjustments are consistent with the general Down City vision. That being said, Mr. Stolzman assured Mr. Pagliarini that the parties totally agree that the completion of the City's zoning requirements must align with the commencement of the selling of the property. Lastly, Mr. Pagliarini noted that Director Lewis stated that the RIEDC is going to be the "project champion" and in his opinion RIEDC is the best choice for this challenging role. As RIEDC is presently undergoing tremendous changes including the possibility of being without a director or a new director coming on board, Mr. Pagliarini asked with all due respect to the RIEDC, what assurances can the Director provide to the general public that the RIEDC is the best choice to head this project with the existence of so much internal turmoil. Mr. Pagliarini stated that at the present time, there certainly must more stable candidates. Director Lewis agrees that the changes, the EDC is presently experiencing unquestionably creates certain complications. Director Lewis explained that this project will evolve over many years rather than

weeks or months. Ultimately the Department of Transportation is responsible for the disposal of this land in an appropriate manner. However, the Department is looking to partner with a single entity to take on the daily responsibility of public accountability, for bringing the vision to fruition and for finding the best way to position this project for the overall economic interest of the State of Rhode Island. Director Lewis noted that from day to day, year to year staff changes within every agency; however, it remains his opinion that the partnering of the Department and EDC is the best combination for this project. Director Lewis assured Mr. Pagliarini that both agencies are concerned, because in the end, the Department and the EDC will be held accountable for the results. Mr. Stolzman added that the two lead project managers for the EDC, Bill Parsons, Deputy Director, has been with the EDC for thirty (30) years and Michael Walker has been with the agency for over a decade and holds a master's degree in public administration and has managed the EDC during various significant projects. The EDC has historically been the State of Rhode Island's lead real estate redevelopment agency. Mr. Khamsyvoravong stated that as the State is looking at a very intense development where there will be a high concentration of knowledge based economy, it occurs to him that the State needs a public transportation solution to transport people traveling from out of State from the current transportation hubs, namely, Kennedy Plaza and the Amtrak Train Station, to this district. The issue of what sort of public transportation will be available will be of great concern to the smaller start up businesses and the bio research type firms. These entities

are struggling with transportation expenses especially during the winter months and Mr. Khamsyvoravong believes that a failure to provide convenient public transportation to this area will substantially affect the success of this project in terms of attracting quality businesses to the development. Mr. Khamsyvoravong stated he does not believe there will ever be adequate parking available Down City and to encourage people to utilize public transportation is at least a start toward a solution. Director Lewis stated that the Department of Transportation, the City and RIPTA are working together and as always timing is everything. Director Lewis commented that there is an immediate need to provide opportunities that do not currently exist to remove private motor vehicles out of the City. The Iway has freed up a lot of congestion and improved safety in the area, but the real growth in the future transportation in Rhode Island is in transit. However, expansion of the commuter rail, better interconnectivity between the existing RIPTA bus services, enhancement of the services, the relocation of the highway as well as other potential modes of transportation being introduced or reintroduced all come with a cost. It is not only the capital costs, which are often more attainable, but it is more the operating costs, which present the real difficulties. Mr. Khamsyvoravong asked Director Lewis to talk a little about what the thought process is behind the parcel of land formerly known as the Shooter's property as he believes there are people in attendance who are very interested in that particular parcel of land. Director Lewis explained that property was acquired for purposes of constructing the Iway project

with the understanding that once it was no longer needed for highway purposes, it would be sold for fair market value and the reason for that stipulation is because the Department acquired the property with federal funds. Director Lewis explained that the Department has an obligation to the Federal Government to obtain value from that land, or the State can choose to reimburse the Federal Government the monies it contributed and then it is no longer a federal issue, but there is a financial issue of reimbursement. Therefore, whatever the value of the former Shooter's property is, the State would have to supplant that amount. Director Lewis stated that there is still a lot of uncertainty regarding that parcel not least of which is because of the current economy. The Department and others struggle with the question of whether now is the time to dispose of the property as well as the questions regarding its uses. The Department is still going through the process of determining the best possible proposal based upon the economy and based upon the conditions associated with that parcel, its ownership and the restriction under which the land was transferred. Director Lewis stated that the Department has spoken with some of the neighboring residents with great interest in said parcel on several occasions, learned that they are very concerned about how the property is developed in the future and the Department not only listens but seriously considers their various suggestions regarding its possible future as a non-commercial development. Director Lewis indicated that the Department and the residents need to continue that dialogue. However, ultimately, the Department has an obligation and will be pressed by the Federal

Highway Administration (the “FHA”), as a condition of the financing agreement requires that the Department obtain the value of the Shooter’s property or replace the value as reimbursement to the FHA.

Mr. Khamsyvovong asked Director Lewis if he would mind explaining exactly what is required of the Department and or State of Rhode Island in terms of obtaining the value of the Shooter’s property as it relates to the financing from the FHA; in the interest of time, he suggested that perhaps this discussion could take place at a future meeting. Director Lewis indicated he would be glad to thoroughly explain the obligations of the Department with regard to the value of the Shooter’s property. Mr. Woolley asked that with regard to the Shooter’s property if the Department has considered a form of water transportation such as a ferry service. Director Lewis stated that the idea of providing a ferry service and ferry terminal at the former Shooter’s property location has been raised; however, it ultimately comes down to how interested the State is in investing in other forms of transit. As we know, all transit requires subsidy and water transit tends to require the greatest amount of subsidy. Director Lewis stated that simply because water transit does not seem all that feasible at this point in time, it does not mean it will not become feasible in the future. Mr. Stolzman thanked the Committee for their astute observations and indicated that the Committee obviously did its homework and came to the table well prepared. Chairman Flynn thanked the entire panel for providing the Committee with an informative and well prepared presentation regarding some extremely complex issues. Director Lewis thanked the Committee for its

patients and for its graciousness in allowing the parties to make a rather lengthy and detailed presentation. No action is required by the State Properties Committee relative to Item A at this time.

ITEM B – Department of Transportation – A request for approval of and signatures on a Purchase and Sale Agreement and Quit-Claim Deed by and between the Department of Transportation and the Town of Smithfield conveying 3.82± acres of land located at the intersection of Routes 7 and 116, designated as Plat 365A in the Town of Smithfield; previously referred to as the “Salt Barn Parcel.” Item B is deferred to a future meeting of the State Properties Committee.

ITEM C – Department of Transportation – A request was made for approval of and signatures on a Temporary and Perpetual Easement consisting of 2,996 square feet of land located at the intersection of Sandy Bottom Road and Tiogue Avenue in the Town of Coventry from the Department of Transportation to Rhode Island CVS, LLC (“CVS”) for drainage appurtenance installation. Ms. Brien presented color coded maps for the Committee’s request and explained that this is because there are two separate parcels involved in this request. Ms. Brien explained that CVS is seeking a temporary and perpetual easement over a 2.996 square foot parcel, which presently contains an outdated groundwater system. CVS is seeking approval of a temporary easement for the removal and disposition of the existing drainage as well as to relocate a gas line. CVS is then seeking a perpetual easement which will house a new storm water drainage system, which will include three (3) manholes for drainage. It will also include a weir manhole, which precludes the backing up of

rainwater into the system, an Aquaswirl storm water treatment system and HDPE pipes, etc. At the conclusion of this project, the area will be re-graded, re-grassed and a riprap channel will be installed. Ms. Brien indicated that a nominal fee of \$1.00 will be associated with this request as CVS will grant an easement to the Department of Transportation, over an adjacent parcel of land of similar size, usage and conformance to the easement being granted by the Department. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM D – Department of Transportation – A request for approval of and signatures on a Site License Agreement by and between T-Mobile USA Inc. d/b/a T Mobile Northeast LLC and Metro PCS Massachusetts, LLC to allow Metro PCS Massachusetts, LLC to co-locate at Site 4FR-4003-F Kenyon Hill, Interstate 95NB@Old

Switch Road in the Town of Richmond. Item D was deferred to a future meeting of the State Properties Committee.

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement Agreement by and between The Nature Conservancy and the Department of Environmental Management (the “Department”) over 116 acres of land located along Liberty Church Road and Mail Road in the Town of Exeter; known as the King Property. Ms. Primiano presented photographs and maps of the subject property for the

Committee's review. Ms. Primiano stated that the subject property received a grant from the Department back in 2006, from the Local Grants Open Space Program, which is a fifty (50%) percent / fifty (50%) matching grant whereby the Department grants funds to land trusts and communities to assist them in land acquisitions. Ms. Primiano stated that in this particular case, the grantee of the award is The Nature Conservancy. The Nature Conservancy is purchasing the subject property and the Department will contribute fifty (50%) percent toward the purchase price. Ms. Primiano noted that the Nature Conservancy has a management plan and the property will be open for public use. The acquisition of this property will join a significant Audubon Society holding and will result in the protection of approximately 2,000 acres of land along the Queens River. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement Agreement by and between the Westerly Land Trust and the Department of Environmental Management (the “Department”) over 305.9 acres of land located along Pound Road in the Town of Westerly; known as the Crandall Preserve. Ms. Primiano explained that this is a similar request whereby the Westerly Land Trust was awarded a grant from the Department in 2008, and it has negotiated the acquisition of the 305.9 acre Crandall Preserve. The Department is contributing \$250,000 toward the purchase price of \$520,000. The

balance of the funding will be contributed by the Champlin Foundation. Ms. Primiano stated that the Westerly Land Trust will own the property and that it will be available for public use and managed for public access. Ms. Primiano noted that in return for the Department's contribution toward the purchase of the property will be secured via the conservation easement. Chairman Flynn noted that this was a rather large parcel of land with a rather small purchase price. Ms. Primiano indicated that the subject property is extremely wet parcel of land. The appraisal determined that the highest and best use was two single-family lots. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for approval of and signatures on an Easement Agreement by and between the Department of Environmental Management and the Newport Country Club over approximately 10 acres of land located along Ocean Avenue in the City of Newport to allow the Newport Country Club to undertake an extensive wetlands/marsh restoration project.

Mr. Dias presented a map of the subject property and the surrounding area for the Committee's review. Mr. Dias indicated that a previous restoration project of Goose Neck Cove was completed last year by the Aquidneck Land Trust. Goose Neck Cove is just down the road from the subject property on Ocean Drive. The project consisted of removing a dam, which allowed the tidal flow to return to some of the internal coastal ponds, which had been blocked for years. Mr. Dias

illustrated the exact location of the Newport Country Club property and the location of a historic pond. Mr. Dias noted that for many years it has been overcome by fragmites, which prevented tidal flow from returning to the pond as it once did. The Newport Country Club is proposing to dredge the entire length of the historical channel so that the waters of the tidal flow will return to and restore the historic coastal pond. Mr. Dias illustrated the location of Mr. Dockery's property and he has entered into a similar easement agreement with the Newport Country Club. Mr. Dias pointed out the location of the State's parcel of land, which is located on Ocean Drive. The Newport Country Club's project will actually benefit all the other properties by dredging the historical channel that runs through said properties. Chairman Flynn asked if there is already a passage under Ocean Drive. Mr. Dias illustrated that location of the culvert and where it came out on the opposite side. Mr. Dias explained that Scott Rabideau of Natural Resources conducted testing and determined the tidal flow will return all the way to the coastal historical pond. Therefore, the project will benefit nearly all the property owners in the area. Mr. Dias stated that there are actually two additional ponds located on Ocean Drive; the Army Pond across from Bailey's Beach and a lily pond across from Gooseberry Beach, which will be the next ponds targeted for restoration. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM H – Department of Administration – A request was made for conceptual approval to sell the State of Rhode Island's Data Center

located at 1670 Hartford Avenue in the Town of Johnston. Mr. Ryan indicated that the subject property would most likely be sold via a sealed bid. The sale of the property will be conditioned upon the State being allowed to continue to occupy the facility for an additional period of time until the new facility located at 50 Service Avenue in the City of Warwick is ready for occupancy. Mr. Ryan noted that the appraisal of the property was conducted approximately eighteen (18) months ago; therefore, given the changes in the economy said appraisal will be updated accordingly before the property is offered for sale. A motion to approve was made by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM I – Department of Administration – A request was made for conceptual approval to enter into lease negotiations with Clear Wire for use of approximately fifty (50) square feet of space within the Cranston Street Armory. Mr. Ryan present photograph of Clear Wire’s proposal for the Committee’s review. Chairman Flynn asked if he was correct in assuming that Clear Tower wishes to place communication towers/antennas within the Cranston Street Armory. Mr. Ryan indicated that is precisely what Clear Wire is proposing to do. Mr. Pagliarini asked if there are currently at towers/antennas located at the Armory. Mr. Ryan indicated that there are presently no towers at the Cranston Street Armory. Utilizing photographs, Mr. Ryan explained where Clear Wire intended to place the antennas. Mr. Ryan explained that Clear Wire intends to replace the existing windows with fiberglass material painted to match the exterior of the

building so that people viewing the property from the street will be unable to see the antennas. Mr. Ryan assured the Committee that any proposed modifications will require the expressed permission and approval of Ted Sanderson of the Rhode Island Historical Preservation and Heritage Commission. Mr. Pagliarini asked if the antennas will require a generator. Mr. Ryan indicated that although there is presently a generator within the Armory, Clear Wire is proposing to utilize their own generator at the site. Mr. Ryan explained that as the cabinet being proposed weighs in excess of 500 lbs, Clear Wire will engage structural engineers to study the cabinet to determine whether the flooring has to be reinforced before it can be installed. Mr. Pagliarini asked if the will require additional leased space to accommodate the generator. Mr. Ryan does not believe Clear Wire will require additional space. Mr. Kay asked what the Department's assessed fee will be for the placement of the antennas and generator will be. Mr. Ryan stated that the Department of Administration intends to consult with the Department of Transportation regarding assessing a fair and equitable fee, as they have a vast amount of experience regarding the placement of antennas on State-owned property. Mr. Khamsyvovong asked what the term of a lease would be for this type of proposal. Mr. Ryan indicated that is a very good question and once again indicated the he would confer with the Department of Transportation regarding the term of the lease agreement. Mr. Woolley asked if the Lessee will have the capacity to allow other communication companies to co-locate at this site. Mr. Ryan stated that he did not believe they

would have authorization to allow other communication companies to co-locate; however, the Department has not yet received the proposed lease agreement for review by the Legal Department. A motion for conceptual approval was made by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

ITEM J – Water Resources Board – A request was made for conceptual approval to negotiate land purchases for the following properties:

J-1: 15.37 Acres – 158C Botka Drive, Charlestown; Plat 27, Lot 46; and

J-2: 6.07 Acres – Payne Road, New Shoreham; Plat 10, Lot 23-1; and

J-3: 4.6 Acres – Sands Pond Road, New Shoreham; Plat 9, Lot 7; and

J-4: 75.10 Acres – Dry Bridge Road, North Kingstown; Plat 78, Lot 45; and

J-5: 75.10 Acres – Hatchery Road, North Kingstown; Plat 105, Lot 3; and

J-6: 5.32 Acres – Gilbert Stuart Road, North Kingstown; Plat 39, Lot 6; and

J-7: 45.18 Acres – Snuff Mill Road, North Kingstown; Plat 21, Lot 6; and

J-8: 49.5 Acres – 852 Stony Lane, North Kingstown; Plat 124, Lot 31; and

J-9: 113.90 Acres – 299 Church Street, Richmond; Plat 11A, Lot 6; and

J-10: 52.7 Acres – Homestead Drive, Richmond; Plat 11A, Lot 24; and

J-11: 40 Acres – 106 Lewiston Avenue, Richmond; Plat 9E, Lot 24; and
J-12: 126 Acres – Thompson Trail, Richmond; Plat 5A, Lot 11; and
J-13: 30.5 Acres – Waites Corner Road, South Kingstown; Plat 22-2, Lot 7; and
J-14: 51.7 Acres – Waites Corner Road, South Kingstown; Plat 22-2, Lot 19; and
J-15: 101.5 Acres – 58 Boombridge Road, Westerly; Plat 11, Lot 6; and
J-16: 4.87 Acres (1.5 acres needed) – 13-25 Old Carriage Road, Westerly; Plat 52, Lot 6; and
J-17: 2.92 Acres (.68 acres needed) – 27 Old Carriage Road, Westerly; Plat 52, Lot 4; and
J-18: 6.13 Acres (.06 acres needed) – 29-33 Old Carriage Road, Westerly; Plat 52, Lot 3A; and
J-19: 306 Acres – Pound Road, Westerly, Plat 80, Lots 1, 2 and 2A; and
J-20: 33 Acres (1.2 acres needed) 153 Westerly-Bradford Road, Westerly, Plat 62, Lot 12.

Mr. Burke presented a map illustrating the locations of properties that the Water Resources Board (the “Board) is proposing to acquire as water well sites or well protection sites. Mr. Burke indicated that the Board has identified the groundwater aquifers throughout South County. Mr. Burke explained that the bond issuance is

essentially set up for the Board to acquire groundwater resources either in whole or in part. The Board has recently discussed the issue of the Board's eligibility to purchase easements over property to leverage outside funds for economies of scale. Mr. Burke stated that during the 1970s and 1980s, the Board identified approximately twenty (20) suitable properties; however, this effort resulted in the acquisition of only one (1) property. Mr. Burke explained that over the past summer he met with representatives of South County communities, town managers, legal counsel, town planners and water suppliers to discuss the bond program. Subsequently, Mr. Burke discussed leveraging their input to further assess new properties that are suitable for well development. Through several public meetings and an application process, the Board received twenty-five (25) applications. These were reviewed by the Board's staff in accordance with several specific categories: (1) Water Supply Board considerations, (2) administrative considerations, (3) planning and land use considerations, and (4) environmental concerns. The Board's staff ranked the applications and presented them to a technical committee, which subsequently made a recommendation to the Water Resources Board. The Board authorized twenty (20) of the properties to be presented to the State Properties Committee to seek conceptual approval to commence negotiations with the property-owners. Mr.

Burke explained that of the twenty (20) properties, ten (10) would be purchased as new well sites and the remaining ten (10) properties would be purchased for protection of existing well heads. Mr. Burke stated that the Board has completed its research relative to the properties and has determined that said properties are within either the confines of the aquifer or the recharge area, which is consistent with the Board's requirements. Chairman Flynn indicated that he assumes the Board does not have adequate funds to acquire all twenty (20) properties. Mr. Burke indicated that is actually not the case and that it is simply fortuitous as the Board could not have planned it this way. Mr. Burke stated that with regard to several of the properties, the Board relied upon assessed values and the remaining properties were appraised and the total estimated value is approximately \$8.6 million dollars. Mr. Burke stated that the Board projected approximately \$378,000, for a total sum of slightly under \$9.1 million dollars. Chairman Flynn noted that the Board is making the assumption that it will be able to go out to bond on debt that it has not yet sold, which may or may not be the case. Mr. Burke agreed with the Chair's statement. Chairman Flynn stated that the \$3 million dollars the Board has acquired from the sale of bonds will not be adequate to acquire all twenty (20) properties. Mr. Burke once again agreed with the Chair's statement. Chairman Flynn asked if all of the properties were of equal value as a potential water resources or whether some were more important than others. Chairman Flynn noted that the list of properties provided to the Committee does not seem to identify the properties in any particular order of priority. Mr.

Burke stated that there are properties that are certainly better than others and it is a combination of outright leverage as there are several properties that offer private financing. As Ms. Primiano mentioned earlier, one of the properties is the Crandall property for which she had submitted an application that the Committee approved; therefore, the Board is not going to request authorization to commence negotiations relative to said property. However, the Westerly Land Trust has another property that if leveraged over \$1.1 million dollars, the Board will consider that a significant project considering leverage, but the total value of the acquisition may not ultimately be in the Board's best interest. There are a multitude of factors that weigh into these acquisitions such as the overall productivity of sites and the proximity of infrastructure to actually be able to produce water. Mr. Pagliarini asked whether the sites that the Board is looking at will become part of the State's system or whether the Board will be seeking to enhance the Town of Richmond's system. Mr. Burke stated that the Bond language requires the State of Rhode Island to maintain ownership of the properties, which has created obstacles over the last decade or so. However, at this time when funds are tight, the towns and suppliers are warming up to the

reality that if they can have the State acquire property, and enter into a long term lease agreement with the Water Resources Board, such an arrangement will suit their needs. Therefore, the State owns the property and the Board will look to enter into some sort of arrangement to have a local water supplier manage the underground resource. Chairman Flynn noted that an overall State system does not exist; however, the Board is working toward developing an allocation plan to manage the State's resources. Mr. Pagliarini stated that he understood that, but his concern is that as an East Greenwich taxpayer he is paying for the Richmond water supply. Mr. Pagliarini stated that he is trying to determine whether the acquisition of the subject properties is only a benefit to certain communities and, if so, why the residents of said communities are not solely responsible to pay for said benefit. Chairman Flynn explained that it is in the State's best interest to protect water supplies in this portion of the State. Mr. Woolley asked whether entering into these agreements with the local water suppliers generates any revenue for the Water Resources

Board. Mr. Burke

indicated that he did pose that question to bond counsel; however, the issue is not contemplated or referenced in the documents. Mr. Woolley asked about the disparity between the size of several of the properties and their assessed value.

Mr. Burke explained that said figures are actually typographical errors on the part of the Board's staff. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Kay.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting adjourned at 12:00 p.m. A motion to adjourn was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Holly H. Rhodes, Executive Secretary