

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, APRIL 27, 2010

The meeting of the State Properties Committee was called to order at 10:07 a.m. by Chairman Kevin M. Flynn. Other members present were Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; John A. Pagliarini, Jr., Public Member; and Xaykham Khamsyvovong representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Pickering from the Rhode Island Senate Fiscal Office; Michael Sligar from the Rhode Island Office of the General Treasurer; Director W. Michael Sullivan, John Faltus, Lisa Primiano, Mary E. Kay, Steven Wright, Robert Paquette, Terri Bisson and Russell Chateauneuf from the Rhode Island Department of Environmental Management; Richard Kalunian and Colleen Kerr from the Rhode Island Department of Transportation; John Ryan from the Rhode Island Department of Administration; Frank DiBiase from the Rhode Island Department of Human Services; and Richard A. Licht from the law firm of Adler, Pollock and Sheehan.

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

A motion was made to approve the minutes from the meeting of April 13, 2010, by Mr. Woolley, as amended, and seconded by Mr. Griffith.

Passed Unanimously

ITEM A – Department of Human Services – A request was made for

permission to initiate negotiations for the renewal of the Lease Agreement by and between the Department of Human Services and 57 Associates, LP for the premises located at 77 Dorrance Street in the City of Providence. Mr. Ryan indicated that the Department is before the Committee seeking permission to exercise the existing option for an additional five (5) year term. Mr. Ryan noted that if the renewal of the Lease Agreement in its final form is approved by the State Properties Committee, it will then have to be presented as a Resolution to the General Assembly for consideration as said Lease Agreement is for a term of five (5) years with a rental fee which exceeds \$500,000 per year. Mr. Ryan indicated that the Department is hopeful that it will return to the State Properties Committee in the very near future together with the Resolution. Chairman Flynn asked what the current rental fee for the subject premises is. Mr. Ryan indicated that the current rental fee is \$13.00 per square foot. The landlord has indicated that he is willing to renew the Lease Agreement under the same terms and conditions and complete some minor renovations at the request of the Department. Chairman Flynn asked how much space the Department will be leasing. Mr. Ryan indicated that two (2) years ago, the Department was leasing 37,925 square feet of office space at this location; however, due to the vast number of personnel that has since retired from this agency, the lease space has been reduced to 25, 812 square feet. Mr. Ryan indicated that the landlord, Mr. Paolino, was not only very accommodating relative to the adjustment in square footage, but he also challenged the City of Providence as to its tax assessment of the

property and was successful relative to said litigation. As result of this success, Mr. Paolino issued a rebate check to the Department for its proportionate share of the increase in taxes, which Mr. Ryan indicated is an exceptionally rare gesture on the part of a landlord. Mr. Ryan stated that the State has enjoyed a very cordial relationship with Mr. Paolino over the years. Chairman Flynn asked Mr. DiBiase to explain why it is so important for this particular agency to be located in the Down City area. Mr. DiBiase explained that Child Support Services is charged with the task of prosecuting child support claims in Family Court, which includes establishing, enforcing and modifying child support orders. The Providence Family Court is located within the Garrahy Judicial Complex, which is located very near the leased premises. Mr. DiBiase explained that there are many occasions that require the attorneys to access information or files kept at the office on a moments notice in order to provide requested documents to the Court. The close proximity of the agency to the Courthouse makes the present location ideal in this regard. Mr. DiBiase echoed Mr. Ryan's statement concerning the number of employees that have recently retired and the agencies ability to reduce the amount of leased office space. Mr. DiBiase stated that the agency once employed approximately 100 employees however the staff presently consists of only 64 employees. Mr. DiBiase indicated that initially the leased premises comprised both the 77 Dorrance Street building and the 110 Eddy Street building, which are conjoined by an atrium; however, due to the reduction in staff, the agency was able to sever the 110 Eddy Street building as it simply did not require

that additional space. Mr. Pagliarini noted that there is approximately 1.5 million square feet of vacant office space currently available in the City of Providence. Mr. Pagliarini asked whether, in the current economic climate, the Department investigated the possibility of alternative, suitable space that may be less costly or whether the Department chose to renew the Lease Agreement for the same space.

Mr. Ryan explained that the Department had an option to renew the current premises and given the costs associated with relocating an agency, especially an agency with such specific needs in terms of location and equipment, the Department felt that at this point in time it would be more cost effective and fiscally prudent to remain at the current location. Mr. Ryan indicated that prior to the expiration of the five (5) year renewal, the Department may consider moving to a location, possibly closer to the Courthouse, but for now, in the current economic climate, the Department believes it is wise to exercise its option to renew. Mr. Pagliarini assumed from the response, that the answer to his question is no, that the Agency did not investigate other options. Mr. DiBiase indicated that last year there was some consideration given to perhaps moving the agency to the Pastore Complex located in Cranston; however, after examining that State-owned space, it was determined that cost of the necessary renovations would outweigh the benefit. Mr. DiBiase explained that as the two thirds of the agency's funding comes from the federal government and includes Internal Revenue Service documentation, they are rather fastidious about the level of necessary security sustained at the facility. In order to comply with the federal

regulations, the Pastore location would have required a tremendous investment in order to properly renovate the premises, which actually would have been cost prohibitive at the time. Therefore, it was determined that a renewal of the existing Lease Agreement was the more sensible option. Mr. Woolley commented that relocating this agency to the Pastore Complex seems to defeat the purpose of being in close proximity to the courthouse as well as the clients the agency serves. Mr. DiBiase stated that the agency would much prefer to remain Down City for that reason. Mr. Pagliarini asked how many parking spaces are provided under the Lease Agreement. Mr. Ryan explained that parking was initially included in the Lease Agreement; however, the employees were very dissatisfied with the parking arrangements provided by the landlord so it was decided that employee parking would be moved to the Convention Center parking garage. Mr. Ryan indicated that employee parking is no longer a component of the subject Lease Agreement. Mr. Pagliarini asked how much the State is paying for the employee parking at the Convention Center parking garage. Mr. Ryan stated that he believes the cost is approximately one hundred (\$100.00) dollars per space, per month. Mr. Pagliarini asked how many employees utilize said parking. Mr. DiBiase stated that between 60 and 65 parking spaces are allotted for use by the agency. Mr. Pagliarini noted that in addition to the rental fee, the State is incurring an annual \$80,000 expense for employee parking. Mr. Ryan indicated that is correct. Mr. Pagliarini asked where the clients park. Mr. Pagliarini indicated that the clients either take public transportation or find parking on the street nearby.

Chairman Flynn asked in the event the Department's request is approved, when the Lease Agreement will come back to the Committee. Mr. Ryan indicated the Department hopes to return as soon as the next scheduled meeting. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley. Said motion passed three (3) votes "Aye" to one (1) vote "Nay"

Three (3) Votes "Aye"

Mr. Woolley

Mr. Griffith

Chairman Flynn

One (1) Vote "Nay"

Mr. Pagliarini

ITEM B – Department of Human Services – A request was made for approval of a Lease Agreement by and between Brookwood Middletown Tech, LLC and the Department of Human Services for office space located at 76 Hammarlund Way in the Town of Middletown and a request for a Certificate of Chairman of the State Properties Committee be forwarded to General Assembly. Item B is deferred to a future meeting of the State Properties Committee at the request of the Department of Human Services.

ITEM C – Department of Education – A request for approval of a Purchase and Sale Agreement by and between The Housing Authority

of the City of Newport and the Department of Education for property located at 1 York Street in the City of Newport, which will house the expanded East Bay Met School. Item C is deferred to a future meeting of the State Properties Committee at the request of the Department of Education.

Chairman Flynn stated that as Director Sullivan has arrived the Committee will hear the matters he is here to present out of sequence in order to accommodate his schedule.

ITEM K – Department of Environmental Management – A request was made for approval to advertise a Request for Proposals to solicit bids for a potential developer/operator of a parking garage facility to be located at Lots 96 and 117 in the Port of Galilee, Town of Narragansett. Director Sullivan explained that this request is an attempt by the Department to become more proactive in seeking value for the land that it manages. Director Sullivan stated that this area is a designated parking area, where there is parking on the ground only and parking is a premium within the Port of Galilee. Director Sullivan noted that within both the Port of Galilee Planning Board and the community, there is a constant tension due to the lack of available parking. Director Sullivan explained that the Department is seeking the approval of the Committee to reach out to the private sector to determine whether there are potential partners available to the State that may wish to design, build, fund and operate a parking garage to expand parking without the image of parking within the Port of Galilee. Director Sullivan stated that all of this would be done under the rules agreed to by the Department, the State and the Town.

Director Sullivan indicated that there is already a pre-approval for a structure of up to forty (40') feet in height. Chairman Flynn asked whether the Department plans to construct just a parking garage or does the Department anticipate that there will be any retail activity on the site. Director Sullivan indicated that the Department owns, on behalf of the State, the abutting property immediately to the north of the subject property, which is currently under lease. Director Sullivan speaking on behalf of the Department's staff, the Town and himself, indicated that the preference is that the focus of this project be parking and public accommodations in terms of public access and comfort facilities to the exclusion of all else. The layout of the property including the portion where the Department's service building is located is an ideal site to create a more vibrant portal for the people using the Block Island Ferry. They would be able to drop passengers off at the edge and continue into the parking garage. The Department is hoping to see the structure be used to support the commercial fishing industry during the non-tourist season. Director Sullivan stated that the vision is to provide a location where tarps can be hung to create a more sheltered environment where a fisherman could repair fishing nets, fix boat parts, store boats and other equipment. The Department hopes that any potential bidder would be receptive to the Department's desire to that kind of mixed use. Chairman Flynn mentioned that the Department's submission memorandum indicates that the Department has been working with the Town of Narragansett in terms of whatever local requirements are associated with the site. Mr. Woolley stated that he is in a rather

unique and awkward position as he is a resident of Block Island and a patron of the subject parking lot. Mr. Woolley explained that said parking lot, as it currently exists, with seasonal passes made available to Block Island residents, is virtually their lifeline to the mainland. Many residents have cars that they leave in the lot and take the ferry because you can not make reservations for transporting automobiles; not to mention it is prohibitively expensive even if you could. Mr. Woolley indicated that he intended to recuse himself from voting relative to this item, because of his personal interest concerning the request. Mr. Woolley noted that he asked his colleague, Genevieve Allaire-Johnson, to review the document; however, she is not in work today and she just received said document yesterday. Mr. Woolley indicated that he has several concerns in terms of whether the Town of New Shoreham is going to be involved in any of the discussions regarding this proposal as it will certainly have a significant impact on the residents who live on Block Island year-round and others who rely on this parking lot as their connection to the mainland. Director Sullivan indicated that with all due respect, Department staff has of late made frequent visits to the Island discussing its fishing, hunting and other rules and there is certainly an awareness of this proposal among the residents and he does not believe there will be anything other than an interim inconvenience to the residents of the Island. Said inconvenience will be during the construction phase and the Department will be investigating alternative parking sites for the residents at that point. Director Sullivan stated that he believes the long-term plan of the

Department is to respect the relationship with the Island's residents who utilize the facility and this concern is certainly made a part of any discussions with all potential vendors. Director Sullivan stated that beyond that, the Department will be happy to engage in a more formal way with the Island community. The Department does not anticipate that this proposal will expand activity on the Island; its hope is that this facility will help to consolidate parking to a single location or at least fewer facilities so that the land now used as perimeter parking can be dedicated fully to the intended use, by statute, which is in support of the commercial fleet. Mr. Woolley indicated that it is his understanding that some of the surrounding land being utilized as additional parking lots, was not intended to be used for surface parking. Director Sullivan indicated that Mr. Woolley is correct and noted that the Department's goal is to accommodate approximately the same amount parking spaces currently available, but to do so by allocating parking to a single facility that has multiple uses, which will hopefully reduce the number of 'flag waiving' parking lot attendants presently located in the area. Mr. Woolley noted that those 'flag waiving' businesses are gouging the tourist by charging an exorbitant amount of money for parking. Director Sullivan indicated that he has also noticed this practice and has spoken to the EZ Pass folks for assistance with ideas about how to clean up the image as well as improving performance. Mr. Woolley stated that he did not see any language in the documents regarding the Department having any type of control over the rates that are charged for parking in the proposed facility or any provision addressing seasonal passes.

Director Sullivan indicated if the documents do not address those issues than it is an oversight that will be addressed immediately. Director Sullivan stated that the intent of the Department is to maintain that control and believes that said language is contained somewhere within the document; however, he will speak to legal counsel with regard to both issues. Mr. Woolley asked if this proposal would affect the 2010 season. Director Sullivan indicated that it will not affect the upcoming season. Mr. Woolley indicated that he would feel better if Ms. Allaire-Johnson was given an opportunity to review the documents prior to the Committee proceeding with a vote regarding this request. Mr. Pagliarini asked what the projected number of parking spaces for this facility. Mr. Dias stated that the projected maximum number of parking spaces is 365±. Mr. Pagliarini asked what the proposed number of floors is. Director Sullivan indicated that the garage can consist of as many as four (4) floors. A motion was made to approve by Mr. Pagliarini subject to review and approval of the Request for Proposals by Genevieve Allaire-Johnson of the Department of Attorney General. Said motion was seconded by Mr. Griffith and passed three (3) votes “Aye” with one abstention.

Three (3) Votes “Aye”

Mr. Griffith

Mr. Pagliarini

Chairman Flynn

One (1) Abstention

Mr. Woolley

ITEM L – Department of Environmental Management – A request was made for approval of a Memorandum of Agreement for a short-term Lease Agreement by and between the Department of Corrections and the Department of Environmental Management for 7,200 square feet of space for use as a temporary warehouse facility. Director Sullivan explained that the Department, like many residents of the Pawtuxet River Valley, experienced extremely severe flooding at its Pawtuxet Valley Depot warehouse in the City of Cranston. Director Sullivan indicated that as a result of said flooding the Department has suffered a complete loss of use of the warehouse. Mr. Dias provided photographs, which clearly illustrated the severity of the flood for the Committee’s review. Director Sullivan stated Director Wall of the Department of Corrections has a facility comprising approximately 7,200 square feet, which is in its final stages of construction. Director Sullivan indicated that the Department has been attempting to relocate from Pawtuxet Valley warehouse for many years as it is on the flood plain. Director Sullivan indicated that as a result of the flooding, the Department has incurred between \$350,000 and \$400,000 dollars worth of damage. As the 2010 summer season quickly approaches, the Department needs a dry facility to work from in order store to store and distribute necessary supplies. Director Sullivan stated that for a nominal fee of one (\$1.00) dollar per year, the Department of Correction is prepared to allow the Department to

utilize this facility. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on the License Agreement by and between the Department of Environmental Management and the Newport Rugby Club to allow the Club to hold various events and activities at Fort Adams State Park during the 2010 season. Mr. Faltus noted that this is a annual request, but unfortunately, was received too late to be presented with the other License Agreements, which were approved at the April 13, 2010, State Properties Committee meeting. Mr. Faltus stated that the Newport Rugby Club has annual insurance in place, which includes host liquor liability insurance coverage. However, said insurance is due to expire on May 14, 2010; therefore, Mr. Faltus requested that, if possible, the Committee approve the License Agreement subject to the submission of the updated Certificate of Insurance. Mr. Faltus noted that there have been no problems associated with the Club’s compliance with the terms and conditions of the License Agreement in the past. A motion was made to approve by Mr. Griffith subject to the submission of an updated Certificate of Insurance. Said motion was seconded by Mr. Woolley.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement to allow Eident Sports Marketing to utilize a portion of the East Bay Bicycle

Path from First Street in the City of East Providence to West Street in the Town of Barrington on Sunday, May 2, 2010. Mr. Faltus explained that this is the third year that the Department has been approached by Eident Sports Marketing for use of the above-referenced property. Mr. Faltus stated that there have been no problems associated with this event. One of the terms of the License Agreement is that the Bicycle Path remains open to the public. Eident Sports Marketing pays a \$500.00 usage fee and compensates the Department for any personnel costs. Mr. Faltus indicated that the appropriate Certificated of Insurance has been submitted to the Department and Eident Sports Marketing has obtained approval from the municipalities in terms of the race route. A motion to approve was made by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for conceptual approval to survey, title search and negotiate the purchase of a Conservation Easement over 42 acres of land located along Stubtown Road in the Town of Hopkinton. Ms. Primiano presented a map, which illustrated the exact location of the subject property for the Committee’s review. Ms. Primiano noted that the purchase of the Conservation Easement would provide a connection between the Canonchet Brook Preserve and the Rockville Management Area. Ms. Primiano indicated that the Department will utilize earmarked funds from the Federal Highway Enhancement Program. Ms. Primiano indicated that the Department will work with The Nature Conservancy in terms of the acquisition and management

of the subject property. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for conceptual approval to appraise, survey, title search and negotiate the purchase of approximately 86 acres of land located along Gilbert Stuart Road in the Town of North Kingstown; known as the Girl Scouts Property. Ms. Primiano stated that the Girl Scouts previously utilized the subject property for the operation of a summer camp. The property is located within the Narrow River Watershed and very near Rum Point. The Girls Scouts approached the Department and The Nature Conservancy regarding a possible sale of the property. Ms. Primiano indicated that the Department, The Nature Conservancy, the Town of North Kingstown and the Down River Land Trust formed a partnership for the acquisition of the property. Due to the location of the property it is anticipated that there is quite a bit of public access available at the site. The Department’s funding source for said acquisition is the U.S. Fish and Wildlife grant referred to as the State Wildlife Incentive Program. A motion was made to approve by Mr. Pagliarini and seconded by Mr. Griffith.

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over 17.5 acres of land located along Pontiac Avenue and Marine Drive in the City of Cranston; known as the Cullion Concrete Property. Director Sullivan indicated that several years ago, the

Mayor of Cranston, at that time, approached the Department of Environmental Management about collaborating with the City of Cranston to protect this particular property from being developed. At that time, the Department agreed to allow the City, upon its written request, to transfer a property award from one property to the subject property. Director Sullivan indicated that through subsequent Mayors and administrations, the Department is seeking the Committee's approval of the Conservation Easement for the State's investment in a local open space grant in the amount of \$260,000±. Director Sullivan indicated that the Department does not embrace the purchase price of the subject Conservation Easement with enthusiasm; however, it is an endeavor to continue to work with the community to provide it with some assistance. Director Sullivan noted that the State's contribution toward this acquisition has not changed and the funding was actually approved in the past for another property, which is no longer eligible for purchase in accordance with the provisions of the program. Ms. Kay stated that in connection with the issuance of the wetlands permit for the subject property, a lawsuit was filed against the Department of Environmental Management; however, as part of the closing of the grant and the State's contribution toward the acquisition of the Conservation Easement, one of the conditions of said contribution is that any and all pending lawsuits against the Department of Environmental Management and/or the State of Rhode Island relative to said permit be dismissed forthwith. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith. Said motion was made subject

to the dismissal of any and all pending litigation. The motion passed three (3) votes “Aye” to one (1) vote “Nay.”

Three (3) Votes “Aye”

Mr. Woolley

Mr. Griffith

Mr. Pagliarini

One (1) Vote “Nay”

Chairman Flynn

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract by and between Leslie C. and Bernice E. Tefft and the Department of Environmental Management for the purchase of ten (10) acres of land located along Grantville Extension in the Town of Hopkinton; known as the Tefft Property. Ms. Primiano indicated that this acquisition is an additional river frontage protection project. The public currently utilizes the subject property for fishing access. The Department of Environmental Management had the property appraised as a single house lot and the landowners have agreed to accept slightly less than that of a full house lot for the property. Ms. Primiano stated that the Department’s funding will come primarily from the open space bond with a small amount of the funding being derived through the Department’s fishing license fees. A motion to

approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM J – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over fifteen (15) acres of land located at 40 Bank Street in the Town of Coventry; known of the Blais Property. Director Sullivan indicated that the Department considers this acquisition a very simple process.

In this case, the Department was asked to acquire the easement rather than the local land trust for reasons only known to the property-owners. The subject property is a large parcel, which abuts the two rivers. Director Sullivan noted that in exchange for the Conservation Easement, the property-owners agree to construct no more than three (3) houses, which will be centrally located on the property and away from the rivers. Director Sullivan stated that this acquisition represents a public benefit which will provide superior protection of the rivers and systems. Director Sullivan noted that there is no cost to the Department, it is merely accepting an easement and in turn becoming the holder of the easement. Chairman Flynn clarified the exact location of the potential house lots. Chairman Flynn asked how much of the area encumbered by the Conservation Easement is regulated by wetlands. Mr. Chateauneuf stated that twelve (12) of the fifteen (15) acres of property is regulated by wetlands. Chairman Flynn asked who the abutting property owners are. Director Sullivan indicated that all of the abutting property is owned by members of the Blais family. Chairman Flynn noted that it is his understanding that only one (1) lot currently has a house on it.

Director Sullivan explained that there was an existing house until the early 1970s; however, there is now a pending application for construction on a similar footprint, but not on an identical one. Director Sullivan noted that the current proposed site is further away from the river than the site of the original house. Mr. Pagliarini asked if there are any existing wetlands on the current proposed construction site. Mr. Chateauneuf stated that there is a small wetlands area on said portion of the property. Mr. Pagliarini asked if the Department conducted any type of internal appraisal relative to the fair market value of the fifteen (15) acres of land. Director Sullivan stated that the Department did not conduct an appraisal of the subject property; he noted that would be left up to Mr. Blais and his tax advisor. Mr. Pagliarini questioned why the Mr. Blais would grant the Department a gratis Conservation Easement over the subject property. Ms. Kay indicated that the Department conducted an analysis of the value of the habitat and wetlands, which are being preserved as a result of this transaction versus a standard subdivision. Therefore, said analysis relates more to the value of the resultant land protection and the wetlands rather than an economic value. Mr. Chateauneuf explained that the transaction related to the specific location upon which Mr. Blais wishes to construct a home. Mr. Chateauneuf stated that a portion of that site is within the two hundred (200') foot riverbank set back, which is jurisdictional wetlands by law; however, Mr. Chateauneuf indicated that there is some disturbances in the area already left from the original house. Mr. Chateauneuf indicated that the purpose of the transaction relates

to the interest of Mr. Blais to construct a house on said location. Mr. Blais could have chosen to construct the house outside of the area and not have provided any sort of Easement; however, he very much wishes to construct a house upon the subject site. Mr. Pagliarini noted that he has concerns regarding what value is placed upon that portion of the property as he personally would like to place a restriction on the deed that stipulates that no value be attached for purposes of an Internal Revenue Service donation. Mr. Pagliarini stated that he is concerned that the Conservation Easement is a two hundred thousand (\$200,000) tax deduction and questions why it is being donated to the State of Rhode Island. Director Sullivan explained that the discussions between the Department and Mr. Blais related to his wishes and the Department's rules. Initially, Mr. Blais sought to construct a house on the footprint of the preexisting house; however, that is not allowed under the rules which have been adopted since the construction of the original house, without the necessity of a much more formal process. Director Sullivan indicated that there were subsequent negotiations that weighed the problems associated with Mr. Blais' wishes against any benefits realized by the preservation of this particular property. Director Sullivan represented that there is a natural resource value here that would not be realized under a standard subdivision in terms of the river set back. The preservation of the property has value in terms of natural resources. Director Sullivan stated that Mr. Blais is reducing the number of potentially buildable lots from a six (6) or seven (7) lot subdivision and possibly more depending upon what the Town would allow to

only three (3) lots. The Department is merely accommodating the protective covenant on rivers in the wetland systems. Director Sullivan stated that to a certain extent the State of Rhode Island is receiving the Conservation Easement because Mr. Blais did not consider the local land trust a viable option. Director Sullivan indicated that Mr. Blais' personal preference was to deal with the State rather than with the local land trust. Mr. Pagliarini asked if 7 Indiana Avenue has frontage on Centipede Road. Mr. Chateaufort indicated that the Blais property in total extends out to Centipede Road. Ms. Kay noted that quite often during the permitting process, if other land is available for a buffer or conservation easement, particularly along a river, an enhance value is obtained. Ms. Kay stated that whenever the Department receives a conservation easement, even when a value is paid, the grantor is completely on their own relative to the Internal Revenue Service. The Department has absolutely nothing to do with those proceedings. The Department does not execute anything relative to values and the grantor is solely responsible to commission their own appraisals. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM M – Department of Environmental Management – A request was made for final approval to award a Concession Agreement to Burdick & Sons Company, LLC to operate Camp Pastore located on Kings Factory Road in the Town of Charlestown. Ms. Bisson noted that the Department appeared before Committee in January 2010, seeking

permission to issue a Request for Proposals (“RFP”) to solicit bids for a vendor to operate Camp Pastore on the Department’s behalf. The Division of Purchases issued said RFP and on April 2, 2010, the Department received one response from Burdick & Sons Company, LLC. Personnel from the Department’s Division of Parks and Recreation reviewed said bid and was satisfied that it met the specifications and desires of the Department, which included the enhancement of public recreation and to provide additional revenue resources to the State of Rhode Island. Ms. Bisson stated that the Department is back before the Committee seeking approval to enter into a Concession Agreement with Burdick & Sons Company, LLC to operate the Camp Pastore facility for weddings, workshops, special events and day camps. Under the terms of the Concession Agreement, the concessionaire will pay \$2,500 together with one half of seventeen (17%) percent of the first annual revenue to the State of Rhode Island. Thereafter, the concessionaire will complete \$2,500 worth of repairs and improvements to the facility and one half of seventeen (17%) percent of gross sales each year. The Concession Agreement is for a term of five (5) years, with one (1) option to renew for an additional five (5) years. The Concession Agreement also requires the concessionaire to carry liability insurance coverage in an amount dictated by Kevin Carvalho of the State’s Risk Management. As part of the Burdick and Sons Company’s proposal, they agreed to make significant repairs to the facility within the first year of operation in addition to the required \$2,500 worth of repairs and improvements. There are some initial improvements they wish to

make to the property. Both the Department and the Concessionaire are seeking the Committee's approval so that arrangements can be made for Burdick & Sons Company to work with Perspectives, Inc., which as the Committee will recall has operated a summer camp for the developmentally disabled for several years. Chairman Flynn asked if it is expected that Perspectives' clientele will continue to utilize this camp under the Concession Agreement. Ms. Bisson indicated that it is not an expected arrangement, but the parties have discussed the possibility of an agreement between them to work together to make the Perspective Camp operational for the coming season if Burdick & Sons can successfully formalize the subject Concession Agreement. Mr. Pagliarini asked how much the Department charged Perspectives for use of the property and facility for its summer camp. Ms. Bisson indicated that a nominal fee of \$1.00 per year was paid by Perspectives. Mr. Pagliarini noted that previously Ms. Bisson stated that the facility would be utilized for weddings, workshops, special events and day camps and asked if the current fire suppression system is satisfactory for that sort of use. Mr. Paquette indicated that the current fire suppression system is not up to code for that type of use. Mr. Paquette stated that the concessionaire will be solely responsible for said renovation. It is Mr. Pagliarini's understanding that the concessionaire agreed to make repairs and improvement up to \$2,500 per year. Ms. Bisson reminded Mr. Pagliarini that the concessionaire also agreed to make substantial repairs and improvements to the facility to bring it up to code prior to commencing operation of the camp. Mr. Pagliarini questioned

whether he will be amenable to expending upwards of \$50,000 to purchase and install a fire suppression system to bring the facility up to code. Mr. Parquette indicated that the structure itself is in rough condition and the Department has been out to the site many times and has taken a complete inventory of the necessary repairs and improvements. For that reason, the Department has included requirements for much of this work to be done during the first year of the Agreement. Mr. Parquette stated that the facility is an open-air structure so he believes that Burdick & Sons will be able to satisfy the necessary requirements to bring the structure up to code. Mr. Pagliarini asked if the Concession Agreement contains language that would allow either party to rescind their decision to participate in said Agreement if the cost of any and all necessary improvements to bring the structure up to code were underestimated and/or misunderstood by either party. Mr. Parquette indicated that said language could certainly be included within the Agreement. Mr. Woolley stated that Article 11 of the Agreement states that the concessionaire will be required to comply with any and all ordinances and state laws governing this recreational facility. Mr. Woolley stated said language is broad enough to ensure that the cost and completion of any necessary improvements to bring this facility up to code are solely the responsibility of the concessionaire. A motion was made to approve by Mr. Pagliarini subject to the Department of Environmental Management receiving a certificate of occupancy prior to either party's execution of the Concession Agreement. Said motion was seconded by Mr. Woolley.

Passed Unanimously

N – Department of Transportation – A request was made for approval to proceed with the acquisition of land and easements, as revised, by virtue of Condemnation Plats 2724 and 2584 in the Town of Coventry. Ms. Kerr explained that the Department is going to record Condemnation Plats 2724 and 2584 and wishes to bring to the attention of the Committee that there have been three (3) area square footage changes due to some design changes as well as a few changes in terms of the property owners names because of said modifications. Ms. Kerr respectfully requested the approval of the Committee to proceed with the recording of Condemnation Plats 2724 and 2584. A motion to approve was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

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

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

The Committee returned to the open session of the State Properties

Committee meeting at 11:20 a.m.

ITEM E1 – Department of Transportation – A request was made for approval of and signatures on a Temporary Easement Agreement with the Town of Barrington in connection with the reconstruction of the Barrington Bridge No. 123. After discussion in Executive Session, a motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:20 a.m. A motion was made to adjourn by Mr. Pagliarini and seconded by Mr. Woolley.

Passed Unanimously

Holly H. Rhodes, Executive Secretary