

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, SEPTEMBER 14, 2010

The meeting of the State Properties Committee was called to order at 10:03 a.m. by Chairman Kevin M. Flynn. Other members present were John Ryan, in the absence of Robert Griffith, representing the Rhode Island Department of Administration; Sue Urso, in the absence of Richard Woolley, representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and Michael Sligar, 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; Kevin Nelson from the Rhode Island Department of Administration; Lisa Primiano from the Rhode Island Department of Environmental Management; Colleen Kerr, Susan Howe and Gil Bricault from the Rhode Island Department of Transportation.

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

Chairman Flynn welcomed and thanked Sue Urso for being kind enough to represent the Department of Attorney General in Mr. Woolley absence for this and the next scheduled meeting of the State Properties Committee

ITEM A – Department of Environmental Management – A request was made for review of the draft Request for Proposals seeking potential developers for a public-private partnership at DEM facilities and properties located on Succatash Road in the Village of Jerusalem in the Town of Narragansett. Ms. Primiano explained that this item is before the Committee today at the Committee's request. On June 22, 2010, the Department sought and obtained the Committee's approval to proceed with the

development of a Request for Proposals (“RFP”). Ms. Primiano noted the said approval was subject to the Department’s return to the Committee once the RFP was prepared so that the Committee would have an opportunity to review the same in its final form prior to it being issued. Ms. Primiano stated that all necessary language required by the Division of Purchasing has been included in the RFP. Ms. Primiano indicated that the core of the RFP comprises approximately a page and a half addressing the two (2) acre parcel of land presently owned and controlled by the Department. Ms. Primiano indicated that the subject property included four (4) existing building, which are currently in a state of disrepair. The property however, includes approximately eight hundred (850’) feet of shoreline, which has been greatly under utilized for a number of years. Ms. Primiano explained that the Department is now seeking proposals from potential developers to partner with the Department in an effort to redevelop the subject property. The Department intends to reserve a portion of the property for Departmental needs and use; however, it is also very receptive to any ideas/proposals that may be presented by a developer for private interest that would maximize the use of the subject facility. Ms. Primiano noted that the Department believes the site has great potential, but that it must be redeveloped in order to realize its full potential and to attract private interest. Mr. Kay asked if anyone resides on the subject property. Ms. Primiano noted that no one presently resides on the property; however, there is one staff member within the facility who presently operates the “Hunter Education Program.” The Department indicated that said operation could easily be relocated elsewhere. The site has had many uses over the past years, including the University of Rhode Island’s Marine Lab, which operated until it withdrew from the property approximately twenty (20) years ago. The facility has also

been utilized as an emergency set up system during various oil spills to care for affected marine wildlife. Ms. Primiano mentioned that there is staff within the Department, which would like a portion of the land to be utilized for agricultural and educational purposes. Department has reserved one thousand (1,000) square feet of the subject property for this purpose on a provisional basis. Therefore, when the Department does return to the Committee, it may very well present a joint proposal, which includes some private interest together with some additional use by the Department. Chairman Flynn clarified that the Department is seeking a private party to construct new structures to attract public interest or at least repair the existing structures. Ms. Primiano agreed that the Department is seeking a private developer to repair the property's infra structure and to make a substantial investment in the entire property. Ms. Primiano stated that the Department also hopes that it will realize some rental return from the property while simultaneously making these facilities once again functional for the Department's use. Mr. Kay asked if the Department has set a required minimum bid amount as of yet. Ms. Primiano indicated that the Department does not intend to set a required bid amount so as not to limit its options and have the opportunity to openly evaluate any and all submitted proposals. Ms. Primiano stated that there could very well be a marina interest as well as an agricultural interest and the Department may choose to marry two different types of proposals together to ensure that the property realizes maximum utilization. Ms. Primiano stated that the Department has been approached by individuals involved in both enterprises, which have expressed an interest in a redevelopment project of this site. Chairman Flynn noted that once the Department has completed its internal evaluation the proposals received, it will then return to the Committee with the results of the RFP and

information regarding the successful candidate(s). Ms. Primiano stated that the Department will return to the Committee with the results of the RFP and provide a recommendation as to a successful candidate in accordance with the evaluation criterion. Mr. Ryan noted that the RFP states that the Department will award ten (10) or more bonus points to any proposal that guarantees it will create ten (10) or more permanent full-time positions of employments; however, Mr. Ryan warned Ms. Primiano against including said provision, as he has learned that what is promised within a proposal in terms of creating future employment is often very different from the reality of what can actually be delivered. Ms. Primiano asked if Mr. Ryan has any specific suggestions relative to said specification, or if he would he prefer the Department eliminated the mention of said criteria and any associated bonus award for the same altogether. Mr. Ryan thought the elimination of this specification and the award of points would be prudent, as there is no way to guarantee or determine whether this component will ever come to fruition. Additionally, Mr. Ryan indicated that he does not believe that the selected developer can be legally obligated to fulfill such a condition. Ms. Primiano suggested that the RFP can address said specification, but not award bonus points regardless of any assurances included in the proposal. A motion was made to approve by Mr. Ryan and seconded by Mr. Kay.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for review of draft Request for Proposals (“RFP”) for development of a Hydroelectric Turbine at property known as Elizabeth Webbing on Roosevelt Avenue in the City of Central Falls. Ms. Primiano explained that this request similar to the previous item

whereby the Committee granted permission for the Department to prepare a RFP, but requested that it have an opportunity to review the same before its issuance. Ms.

Primiano explained that the State of Rhode Island acquired this 15,000 square foot parcel of land in March of 2010. It had been operating until 2001, and continues to be a license facility. At the time of the Department's purchase of the property, part of the evaluation and the appraisal of the property certainly included the value of the Hydroelectric Turbine facility. The main reason for the acquisition was for the construction of a fish ladder for the passage of fish up the Blackstone River; however, the Department believes there may be some potential for a functional hydroelectric turbine facility. Ms. Primiano reminded the Committee that an individual affiliated with the hydroelectric turbine facility that actually appeared before the Committee expressing an interest in the subject property. Ms. Primiano indicated that there were approximately five (5) or six (6) interested parties that have contacted us throughout the years, who have expressed an interest in operating this facility. Ms. Primiano questions whether it is financially feasible as the facility went out of service in 2001, makes the Department question the financial feasibility of this site operating; however, because of expressed interest, certain tax incentives and investment capital, interest exists to proceed and attempt to put this site back in operation. Ms. Primiano stated that the Department's Director, who is very interested in investigating alternative energy, has asked certain staff to proceed with the development of the RFP and see what offers are received. Ms. Primiano stated that if one reviews the requirements; one of the more critical necessities is that the developer would have to install a fish ladder. Ms. Primiano indicated that the requirement of installing a fish ladder is an expensive proposition and could cost up to \$1 million dollars.

However, the Department considers the installation of a fish ladder is a critical element of this project. The Department's position is that without fish passage there was no purpose in purchasing the subject property. be know point in purchasing the property the requirements go forward and put this together and A motion was made to approve by Ms. Urso and seconded by Mr. Ryan.

Passed Unanimously

ITEM C – Department of Transportation – A request was made for approval of and signatures on a License Agreement by and between the Department of Transportation and Herb Chambers Cadillac, Inc. for use of 1,380 square feet of State-owned property located adjacent to 1441 Bald Hill Road in the City of Warwick. Mr. Jackson

A motion was made to approve by Mr. _____ and seconded by Mr. _____

Passed Unanimously

ITEM D – Department of Administration – A request was made for approval of the Amended Rules and Regulations of the State Properties Committee. Mr. Nelson

A motion to approve was made by Mr. _____ and seconded by Mr. _____

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.

ITEM E1 – Department of Transportation – A request was made to proceed with acquisitions and easements by virtue of Condemnation Plat 2668 for the Replacement of Branch Avenue Bridge #967, in the City of Providence. After discussion in Executive

Session, a motion to approve was made by Mr. _____ and seconded by Mr. _____.

Passed Unanimously

There being no further business to come before the Committee. A motion to adjourn was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously