

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, APRIL 12, 2011

The meeting of the State Properties Committee was called to order at 10:03 a.m. by Chairman Ronald N. Renaud. Attendance of the members was taken by roll call and the following members made their presence known: Robert Griffith representing the Rhode Island Department of Administration; Richard Woolley representing the Rhode Island Department of Attorney General; Robert W. Kay, Public Member; and Andrew Marcaccio representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Meredith Brady from the Rhode Island Senate Fiscal Office; Anthony Robinson from the State of Rhode Island General Assembly; Michael D. Mitchell and John P. Ryan from the Rhode Island Department of Administration; Colleen Kerr and Susan Howe from the Rhode Island Department of Transportation; John Faltus, Michelle Sheehan, Terri Bisson and Jay B. Aron from the Rhode Island Department of Environmental Management; Benjamin Copple from the Rhode Island Department of Labor and Training; Brian Peterson from the Rhode Island Department of Children, Youth and Families; Francis Gashen from the Rhode Island Commission of Human Rights; Stephen Kerr from the Rhode Island Department of Judiciary; Tina Benros from the Rhode Island Division of Motor Vehicles/Rhode Island Department of Revenue; and Bruce Landis from the Providence Journal.

Chairman Renaud stated for the record that the State Properties

Committee did have a quorum present.

A motion was made to approve the minutes from the State Properties Committee

meeting held on March 29, 2011, by Mr. Kay and seconded by Ms. Griffith.

Passed Unanimously

ITEM A – Department of Labor and Training – A request was made for conceptual approval of a Lease Agreement, by and between the Pawtucket Redevelopment Agency and the Department of Labor and Training, for the premises located at 175 Main Street in the City of Pawtucket. Following a discussion concerning the posting of Item A on the agenda, the Committee determined that it would be prudent to table said request and consider the same at the State Properties Committee meeting scheduled for Tuesday, April 26, 2011. A motion was made to table Item A by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement, With Authorization to Serve Alcoholic Beverages, by and the between Department of Environmental Management and the Fort Adams Trust

(the “Trust”), to organize a public Oyster Festival to be held on Saturday, October 8, 2011. Mr. Faltus explained that in February of 2011, the State Properties Committee granted the Department’s request for approval of the annual License Agreement with Fort Adams Trust, for a series of private functions to be held during the 2011 Season at Fort Adams State Park. The Trust recently submitted a request for a License Agreement, With Authorization to Sell Alcoholic Beverage for purposes of hosting the aforementioned Oyster Festival. The Trust has submitted its updated Certificate of Insurance to the Department, which includes host liquor liability insurance coverage. Mr. Faltus stated that the Department has received no complaints, nor have there been any problems associated with any of the events hosted by the Trust. Lastly, Mr. Faltus indicated that the Oyster Festival will serve as a fund raising event for the Trust. Mr. Kay asked from how many locations alcoholic beverages will be sold during the event. Mr. Faltus noted that a single beer and wine tent will be the sole location to purchase alcoholic beverages. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM C – Department of Environmental Management – A request was made for approval of and signatures on a License Agreement, With Authorization to Serve Alcoholic Beverages, by and the between Department of Environmental Management and the Museum of Yachting (the “Museum”), to allow the Museum to hold various functions and events at Fort Adams State Park during the 2011

Season. Once again, Mr. Faltus respectfully requested that the Committee approve said License Agreement, subject to the Museum's submission of an updated Certificate of Insurance. Mr. Kay asked if the Museum intended to serve alcoholic beverages from a single location as well. Mr. Faltus stated that a single beer and wine tent would be erected for the sale of alcoholic beverages for these events. A motion was made to approve by Mr. Woolley, subject to an updated Certificate of Insurance being submitted prior to the first event. Said motion was seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract, by and between Paul A. Lorenzo and the Department of Environmental Management, for the purchase of 50 acres of land located along Putnam Pike in the Town of Gloucester; known as the Lorenzo Property. Ms. Sheehan indicated that the subject property abuts the George Washington Management Area. The property will primarily serve to buffer the existing campground development. Ms. Sheehan stated that the purchase price of the property is \$295,000, which is actually lower than the appraised value. The Department of Environmental Management will contribute \$255,000, via its Open Space Bond Program, and the Gloucester Land Trust will contribute the remaining balance of \$40,000, toward the purchase price of the property. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM E – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with Joseph Moniz to raise and harvest crops on State-owned property; known as the Sapowet Wildlife Management Area, located on Old Main Road, Main Road and Neck Road, in the Town of Tiverton. Ms. Bisson explained that on May 15, 2010, the State Properties Committee granted the Department’s request for permission to issue a Request for Proposals (“RFP”) to engage the services of qualified entities to farm certain parcels of land, which the Department had acquired for the benefit of open space preservation, public recreation and wildlife resource protection. The RFP was advertised in the Providence Journal on February 28, 2011, and, again, on March 7, 2011. The RFP was also publicized via a press release. Ms. Bisson stated that the Department received a total of ten (10) proposals in response to the RFP issued for all five (5) properties. She stated that the next five (5) agenda items illustrate the results of said RFP. Ms. Bisson indicated that the Department chose the successful candidates, based upon the following criteria: the amount a candidate was willing to pay, for the exclusive rights to utilize the subject property for the specified period of time, for its specified purpose; the candidate’s prior farming experience; and based upon any prior experience specifically related to the parcel for which they submitted a proposal. Ms. Bisson indicated that the Committee should have a copy of the scoring matrix for all five (5) parcels of land. Ms. Bisson explained that an Indenture of Lease for the first parcel of land located at the Sapowet Wildlife Management Area was

awarded to Joseph Moniz for the 2011 Season. In accordance with the terms and condition of the Lease Agreement, Mr. Moniz is required to pay a lease fee of \$2,898, or \$126, per acre of land. Ms. Bisson explained that the Agreement requires Mr. Moniz to secure and maintain liability insurance coverage for bodily injury, property damage and the like, with the State of Rhode Island being listed as an additional insured. Mr. Kay asked if the \$2,898 fee is an annual lease fee. Ms. Bisson explained that the parcel is actually leased from March until October, during the growing season. After October, the parcel of land will revert back to the State's exclusive custody and control. Mr. Aron indicated that the primary reason for these Lease Agreements is to manage the properties for wildlife habitat, while providing farmers with the ability to utilize the parcels to raise and harvest crops. Chairman Renaud asked if the Department is comfortable with the proposed lease fee of \$126.00, per acre of land. Mr. Aron stated that the Department is comfortable with the amount of the lease fee, and believes said Agreement will benefit the farmer, the State, and of course, the wildlife. A motion was made to approve by Mr.

Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM F – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with Henry B. Wright III, to raise and harvest crops on State-owned property located at the Arcadia Management Area, Pratt Unit, located

on Summit Road, in the Town of Exeter. Ms. Bisson stated that the Department received only one proposal relative to this parcel, which came from Mr. Wright. In accordance with his proposal, Mr. Wright will pay a lease fee of \$47.00, per acre of land, for a total annual lease fee of \$609.00. Ms. Bisson noted that the property consists of seven (7) acres of land. As Mr. Wright was the sole bidder, he received the highest score possible and was awarded the Indenture of Lease. Chairman Renaud clarified that this Request for Proposals (“RFP”) was advertised and met all the criteria for proper notice and other requirements, in accordance with the established policies and procedures. Ms. Bisson indicated that the Department complied with all policies and procedures relating to the RFP process. A motion was made to approve by Mr. Kay and seconded by Mr. Woolley.

Passed Unanimously

ITEM G – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with Nicholas Gorham to raise and harvest crops on State-owned property located at the Nicholas Farm, Place Unit, on Routes 14 and 117, in the Town of Coventry. Ms. Bisson stated that the subject parcel comprises 23 acres of land. Ms. Bisson explained that the Department received two (2) responses to its Request for Proposals (“RFP”) concerning the subject parcel. Mr. Gorham’s proposal to pay a lease fee of \$131.00, per acre of land, together with points awarded to him in the other categories of the evaluation, identified him as the successful candidate. Mr. Woolley asked whether Mr. Gorham actually has farming experience. Mr. Aron indicated that Mr. Gorham

owns an active farm and hayfields. Mr. Woolley asked if there is any connection between Nicholas Farm and Nicholas Gorham. It is Mr. Aron's understanding, that there is some family connection between Mr. Gorham and farm. However, he is not absolutely sure how Mr. Gorham's association with the farm evolved. Mr. Aron indicated that perhaps his Father or Uncle may have originally donated said parcel of land to the State of Rhode Island. Chairman Renaud asked whether the level of productivity achieved by a successful candidate affects the criteria used in evaluating future bids or proposals received from that candidate. Mr. Aron indicated that the Department hopes to maximize the potential productivity of any given parcel. Therefore, if a successful candidate does not adequately farm a parcel to its fullest potential, the Department would record that information and it would, in fact, be taken into consideration, with regard to evaluating future proposals received from that individual. Ms. Bisson stated that the Department carefully monitors the level of productivity of all parcels leased for agricultural purposes. Ms. Bisson explained that the Department has recently issued a written warning to one of its lease holders. Said warning puts him on notice that if he does not adequately farm the entire parcel as intended, the Department will have no choice, but to issue a notice of default relative to the Indenture of Lease on said parcel. Lastly, Chairman Renaud asked if any additional points are awarded to candidates that propose to donate a percentage of, or all harvested crops to a not for profit organization, such as the Rhode Island Community Food Bank. Ms. Bisson indicated that whether a proposal is of a charitable or

commercial nature has no bearing on the evaluation process at the present time. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM H – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with Kevin Kenyon d/b/a Turf North America Farms, LLC, to raise and harvest crops on State-owned property located at the South Shore Management Area, Field 6 – Finerman Tract, Green Hill Beach Road, in the Town of South Kingstown. Ms. Bisson noted that Mr. Kenyon’s was the sole response to the Department’s Request for Proposals concerning this parcel of land. Mr. Kenyon proposed to pay a lease fee of \$52.00, per acre of land, or a total annual lease fee of \$1,196.00 Chairman Renaud asked whether the Department knows, prior to awarding the Indenture of Lease, what crop(s) the successful candidates intend to raise. Ms. Bisson explained that some parcels are set aside for vegetable crops, and other parcels are allocated for hay only. Mr. Kay asked how often the Department inspects the parcels to monitor the lease holder’s effectiveness, in terms of managing these properties. Mr. Aron stated that the Department’s three major inspections serve to ensure that the planting is done in a timely manner, that the crops are harvested in accordance with the schedule set forth in the Indenture of Lease, and finally, to ensure that the winter covering is in place in a timely manner. Mr. Aron noted that members of the general public, who serve as constituents to the Department, often inform the Department of any problems or

potential problems associated with a lease holder's ability to manage a

property. A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM I – Department of Environmental Management – A request was made for approval of and signatures on an Indenture of Lease with George C. Whaley to raise and harvest crops on State-owned property located at the South Shore Management Area, Field 3 – Ford Tract, Matunick Beach Road, in the Town of South Kingstown. Ms. Bisson explained that Mr. Whaley's proposal received the highest score for this 22.7 acre parcel of land. Ms. Bisson indicated that under the terms of said proposal, Mr. Whaley will pay a lease fee of \$106.00, per acre of land, or a total annual lease fee of \$2,406.00 Ms. Bisson noted that this was the most popular parcel of the five (5) advertised. Ms. Bisson stated that the Department received a total of four (4) bids for the subject parcel, and that Mr. Whaley was awarded the Indenture of Lease only by a narrow margin. Ms. Bisson indicated that the sole reason Mr. Whaley was chosen as the successful candidate, is due to the points he received for having previously farmed this particular parcel. Mr. Aron respectfully requested that the State Properties Committee sign these Indentures of Lease as soon as possible as they are time sensitive. Chairman Renaud advised Mr. Aron that, if he was willing to wait, the Committee would execute the documents and release the same to him immediately following the

meeting. Mr. Aron thanked Chairman Renaud and the members of the Committee for accommodating his request. A motion was made to approve by Mr. Woolley and seconded by Mr. Kay.

Passed Unanimously

ITEM J – Department of Transportation – A request was made for approval of and signatures on a Temporary Use Agreement, by and between, Donald and Katherine Follet and the Department of Transportation, for use of property located on Old Post Road (Route 1A), in the Towns of Charleston and South Kingstown in connection with the 1R Improvements to Old Post Road Project. Ms. Kerr explained that the subject property consists of 300 square feet, and is owned by Donald and Katherine Follet. The Department is seeking to remove sand, silt and debris from the subject property in order to improve drainage in the area. Ms. Kerr noted that there is no monetary compensation associated with said transaction. A motion to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM K – Department of Transportation – A request for approval of a Temporary Easement Agreement for an easement over property located on High Street, in the Town of Burrillville, in conjunction with the Rehabilitation of Pascoag Bridge No. 198 Project. Item K is deferred to the April 26, 2011, meeting of the State Properties Committee, at the request of Mr. Woolley, from the Department of Attorney General. ITEM L – Department of Judiciary – A request was made for permission to initiate lease negotiations with the principles of 56 Associates for space located at 450 Main Street in the City of

Pawtucket. Mr. Ryan indicated that the request before the Committee is actually twofold. The Department of Judiciary is seeking permission to initiate negotiations for the leased premises, which houses the of Judiciary's records center. However, more importantly, the Department of Judiciary is seeking an action from the State Properties Committee that will prompt correspondence from Chairman Renaud to General Assembly leadership, to ensure the Department's compliance with Rhode Island General Law § 37- 6-2 (d). This statute requires that a joint resolution of the General Assembly is obtained, before any lease negotiations, or lease agreement can be finalized. Mr. Ryan indicated that the existing Lease Agreement will not expire until November; however, the General Assembly's session will end at the end of June 2011. Mr. Ryan indicated the Department will be forwarding at least ten (10) lease agreements to the General Assembly, in order to obtain its approval, prior to the close of the session. A motion was made to approve by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM M – Rhode Island Commission of Human Rights – A request was made to initiate lease negotiations with the principles of Dorwest Associates, LLC, for space located at 180 Westminster Street, in the City of Providence. Mr. Ryan indicated that the Commission of Human Rights (the “Commission”) is also seeking an action by the State Properties Committee, that will result in the forwarding of correspondence from Chairman Renaud to the General Assembly leadership, to ensure the Department's compliance with Rhode Island

General Law § 37- 6-2 (d). A motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

ITEM N – Department of Revenue/Division of Motor Vehicles – A request was made for final approval of and signatures on a short-term Lease Agreement, by and between Kenneth Alves and Department of Revenue/Division of Motor Vehicles, for the premises located at 999 West Main Road, (Unit 1A), in the Town of Middletown.

Mr. Ryan presented an aerial photograph of the site for the Committee’s review. Mr. Ryan stated that the Department of Revenue (the “Department”), in conjunction with the Division of Motor Vehicles (the “DMV”), is seeking approval of a six (6) month, short-term Lease Agreement, to allow the DMV to occupy the aforementioned premises as a temporary site to replace the Aquidnick Island Branch Office.

Mr. Ryan explained that in February of 2011, the DMV vacated the premises, which housed the former branch office. Prior to that date, the Department attempted to identify new suitable space via the Request for Proposals (the “RFP”) process. Unfortunately, the process to solicit bids from area property-owners proved unsuccessful. Subsequently, on March 29, 2011, the State Properties Committee granted the Department’s request for permission to waive the formal RFP process, because of the difficulties associated with identifying a suitable new site. As Aquidneck Island and surrounding areas have been without the services normally provided by the DMV, the Department believes it is critical to secure, at least a temporary branch office, to accommodate

the needs of the taxpayers in said area. Mr. Ryan indicated that the Department and the DMV are confident that the subject property is a suitable site for said purpose. Mr. Ryan explained that there are three (3) principal tenants presently leasing space at this site. However, as their hours of operation are the antithesis of the DMV's normal business hours, it will allow the DMV to utilize the majority of the 68 existing parking spaces to serve its clientele. Chairman Renaud asked Mr. Ryan to briefly summarize the due diligence conducted relative to this site. Mr. Ryan stated that the Office of the Fire Marshal (the "Fire Marshal") was asked to inspect the site and it determined the site to be suitable for the intended purpose. The DMV will work with the Fire Marshal to position furnishings in a manner that will maximize clearance to the facility's exits. Additionally, the business hours and operation of the other tenants were closely examined to ensure that an appropriate level of compatibility existed between those businesses and the needs of the DMV. Mr. Ryan noted that the monthly rental fee is \$4,500, which he stated is admittedly higher than current market value. However, Mr. Ryan explained that a higher rental fee is an expected disadvantage, when searching the market for short-term lease agreement. Mr. Ryan indicated that the Department and the DMV will continue their efforts to identify and secure a permanent suitable facility to house the Aquidnick Island Branch Office. Mr. Kay asked if the Lease Agreement contains any option to extend the Lease Agreement on a month-to-month basis, if such an arrangement becomes necessary. Mr. Ryan stated that the Lease Agreement contains a renewal option for a six (6) month

extension; however, the Department hopes it will not become necessary to exercise said option. Mr. Griffith asked if the facility adequately supports the Informational Technologies (the "IT") requirements of the DMV's operation. Mr. Ryan indicated that there is a minor build-out associated with the facility. The State will install modular counters in the facility to lower the cost of said build-out. The remaining build-out will be completed by the landlord and the price of said build-out will not exceed \$12,500, as set forth in the Lease Agreement. Further, the landlord has agreed to complete all electrical and data work, in accordance with DoIT's specifications. Chairman Renaud asked when the DMV thinks this office will open. Mr. Ryan indicated the anticipated opening date is Monday, May 2, 2011. Mr. Woolley asked who the other tenants are and what type of businesses they operate. Mr. Ryan stated two (2) churches, a Karate studio, a uniform store, a men's hair salon, U Relax Bodywork (a day spa), both Sousa and Nationwide Insurance and Cox Computer comprise the list of all tenants within the plaza. Mr. Woolley asked if the site has been inspected during peak daytime hours to determine the amount of activity in the parking lot and surrounding area. Mr. Ryan stated that random inspections of the site have been conducted and it has been determined that ample parking spaces were available throughout the day. Mr. Ryan stated that he would be concerned if the DMV was seeking to secure this site as a permanent facility, as the current tenants could easily be replaced with others that would not be as compatible with the operation and needs of the DMV. However, he is very confident that the site is very suitable and will

more than adequately allow the DMV to serve its clientele. Mr. Griffith noted that the package received by the Committee members relative to this request, does not include a certificate of insurance, a certificate of disclosure or a certificate of authority. Mr. Ryan explained that Kenneth J. Alves does not operate as a corporate entity; however, Mr. Alves is both the landlord and the owner of the property. Mr. Ryan stated that Kevin Carvalho of Risk Management indicated that the subject premises will be insured under the State of Rhode Island's umbrella policy. Mr. Ryan stated that with regard to indemnification, the landlord has agreed to the language contained in the Lease Agreement, as requested by Mr. Woolley of the Department of Attorney General. Mr. Woolley asked if road tests for new drivers will be offered at this location. Mr. Ryan stated that road tests will continue to be offered at this temporary site, and that a portion of the parking lot will be designated for purposes of accommodating new drivers and those that transport them to the office. A motion was made to approve was made by Mr. Griffith and seconded by Mr. Kay.

Passed Unanimously

ITEM O – Department of Children, Youth and Families – A request was made for permission to initiate lease negotiations with the principles of Boucher Properties for the premises located at 191 Social Street, in the City of Woonsocket. Mr. Peterson indicated that this request is being made on behalf of the Woonsocket Juvenile Probation and Parole Office. Mr. Peterson stated that the Department initially entered into a five (5) year Lease Agreement with Boucher Properties, and is currently leasing the subject premises on a month-to month

basis. Mr. Peterson explained that last year, the Department effectuated a substantial consolidation of many of its offices. One of the Department's offices, previously located in Pawtucket, was closed and relocated to the 101 Friendship Street facility, at a savings of \$500,000.00, per year. Three (3) additional units were relocated to the Department of Human Services Woonsocket Office located in the Thundermist Building. The Department had hoped to relocate the Juvenile Parole and Probation Office to the Woonsocket site as well; however, it was determined that neither the use was compatible, nor was there adequate space available to accommodate the needs of the Juvenile Parole and Probation Office. Mr. Peterson stated that this Lease Agreement is a rather inexpensive lease, when compared to some of the Department's other lease agreements. The premises consists of 1,500 square feet of space for an annual rental fee of \$30,000. Mr. Peterson reiterated that the Department is seeking approval to initiate lease negotiations for another five (5) year Lease Agreement. Mr. Peterson explained that Boucher Properties is satisfied with the Juvenile Parole and Probation Office intent to continue to occupy the facility and has found its use compatible with the needs of the other tenants. Mr. Peterson indicated that it is difficult to secure suitable space for parole and probation offices. The Department often receives few or no responses to request for proposals issued on behalf of said offices. Further, Mr. Peterson noted that the Department has enjoyed a good working relationship with this landlord. A

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

Passed Unanimously

ITEM P – Department of Children, You and Families – A request was made for permission to initiate lease negotiations with the principles of the East Bay Development Corporation for the premises located at 530 Wood Street in the Town of Bristol. After a discussion regarding the posting of this item, it was determined that the same was posted correctly and in accordance with the Open Meetings Act. Mr. Peterson explained that the Department initially entered into a ten (10) year Lease Agreement, with East Bay Development Corporation, for the aforementioned premises. Upon the expiration of said Lease Agreement, the Department extended the same for period of three (3) years, and is now requesting permission to initiate lease negotiations in order to exercise the remaining seven (7) years of the ten (10) year option. A motion to approve was made 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 10: 42 a.m. The motion to adjourn was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

Holly H. Rhodes, Executive Secretary