

STATE PROPERTIES COMMITTEE MEETING

TUESDAY, JULY 19, 2011

The meeting of the State Properties Committee was called to order at 10:05 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; Lawrence S. Eichler, Public Member; and Andrew Marcaccio representing the Rhode Island Office of the General Treasurer, Ex-officio Member. Others in attendance were Anthony Robinson from the State of Rhode Island General Assembly; Michael D. Mitchell, John P. Ryan and Deborah White from the Rhode Island Department of Administration; Paul Carcieri, Christine Brien and Colleen Kerr from the Rhode Island Department of Transportation; Lisa Primiano from the Rhode Island Department of Environmental Management; Brian Peterson and Peggy Farrish from the Rhode Island Department of Children, Youth and Families; Lee Collenberg and Shannon Davis from Competitor Group, Inc.

Chairman Renaud stated for the record that the State Properties Committee does have a quorum present.

A motion to approve the meeting minutes of June 21, 2011, as amended, was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM A – Department of Administration – A request was made for

approval of and signatures on a License Agreement, by and between the Department of Administration and Competitor Group, Inc. to utilize the State House Grounds and Station Park for the Rock-n-Roll ½ Marathon to be held on August 5, 2011, through August 7, 2011.

Ms. White stated that Competitor Group, Inc. is requesting the Committee's approval of a License Agreement to utilize the State House Grounds and Station Park for purposes of hosting the Rock-n-Roll ½ Marathon. Chairman Renaud asked the representatives of the Competitor Group, Inc. to please introduce themselves

for the record. Both Lee Collenberg and Shannon Davis stated their names and titles.

Chairman Renaud asked if Competitor Group, Inc. has been thoroughly apprised of all policies and procedures relative to the use of the State House Grounds and Station Park including any and all prohibited activities. Ms. White stated that the Division of Facilities Management has informed Competitor Group, Inc. of all policies and procedures as well as any and all prohibited activities relative to public use of the subject properties. Chairman Renaud commented that in the past there have been applicants who have not always complied with the policies and procedures as stipulated by the Department of Administration/Division of Facilities Management and as a result the subject properties have sustained considerable damage. Mr. Griffith asked if this is the first time Competitor Group, Inc. has requested permission for the use of State-owned property. Ms. White indicated that this is Competitor Group, Inc.'s first request

for the use of State-owned property. Ms. White indicated that Competitor Group, Inc. will begin setting up for the event on August 4, 2011. However, the actual event will not take place until August 7, 2011. On August 8, 2011, they will dismantle and remove any equipment and/or structures and thoroughly clean the property. Mr. Griffith questioned whether the insurance policy encompasses coverage for the days Competitor Group, Inc. will be setting up and breaking down the equipment and/or structures. Ms. White indicated that it is her understanding that the policy ensures coverage for all times Competitor Group, Inc. is present on the property for purposes directly related to this event. Mr. Griffith asked if any merchandise will be sold during this event. Ms. Collenberg indicated that merchandise will be sold during the event from a single tent. Mr. Griffith asked whether the insurance policy includes product liability coverage. Ms. Collenberg stated that she was not entirely sure whether the insurance policy specifically includes product liability coverage, but indicated that she would certainly see to it that said coverage is secured. Chairman Renaud requested that Competitor Group, Inc. also ensure that the insurance policy also cover any damage caused to the subject premises as a result of their activities.

After further discussion, a motion to approve was made by Mr. Griffith, subject to the submission of documentation which evidences that the insurance policy includes product liability, property damage as well as coverage for all dates and times Competitor Group, Inc. will be utilizing the subject properties relative to this event. Said motion was seconded by Mr. Woolley.

Passed Unanimously

ITEM B – Department of Children, Youth and Families – A request was made for approval of and signatures on a First Amendment to Lease, by and between Michael L. Baker (Bakeford Properties) and the Department of Children, Youth and Families (the “Department”) for the premises located at 650 Ten Rod Road in the Town of North Kingstown. Chairman Renaud indicated that as he was involved in the process of renewing the subject Lease Agreement, he would recuse himself from partaking in any discussion and/or from voting relative to this request if anyone believed it would be prudent for him to do so. Despite Chairman Renaud’s involvement in this matter, the consensus of the other members was that he would be able to participate fairly and objectively in any discussion and/or any official action relating to said matter. Mr. Peterson explained that the previous ten (10) year Lease Agreement for the aforementioned premises expired in July of 2009. In accordance with said Lease Agreement, the Department was leasing 16,390 square feet of space at a cost of \$17.73 per square foot, for an annual cost of \$290,595.00. At the expiration of the Lease Agreement, the Department obtained the approval of the State Properties Committee to renew the Lease Agreement for a term of five (5) years in accordance with the following schedule of rates, which were based upon an appraisal conducted by Andolfo Appraisal Associates, Inc.:

Year: Square Footage: Cost per Square Foot: Annual Cost:

Year 1 16,390 s.f. \$18.82 \$308,460.00
Year 2 16,390 s.f. \$18.99 \$311,246.00
Year 3 16,390 s.f. \$19.17 \$314,196.00
Year 4 16,390 s.f. \$19.36 \$317,310.00
Year 5 16,390 s.f. \$19.55 \$320,425.00

Mr. Peterson explained that upon receiving the State Properties Committee's approval, a Resolution was prepared and submitted to both the House and Senate. Said Resolution passed in the Senate; however, at the request of the Department of Administration, it was not acted upon in the House. Mr. Peterson stated that as part of an overall consolidation of leased space, a decision was made to relocate the North Kingstown Office to the Stedman Government Center. Mr. Peterson stated that the Department has continued to occupy the subject premises on a month-to-month basis since the expiration of the Lease Agreement at the rate of \$17.73 per square foot. Mr. Peterson indicated that the landlord objects to the current arrangement and has clearly expressed his displeasure with the same. Therefore, the landlord has informed the Department that if it continues to occupy the premises, it will do so as a hold-over tenant, which in accordance with the Lease, will increase the rent to 125% of the existing lease cost. The landlord also offered the Department the option of renewing the Lease and adjusting the monthly rental rate based upon fair market value as determined by the methodology outlined in Section 1.3 of the existing Lease. Mr. Peterson explained that after consulting with legal counsel for the Department of Administration, the Department concluded that its best course of

action would be to renew the Lease and exercise the option to terminate the same upon thirty (30) days written notice. Mr. Peterson explained that the Steadman Government Center is currently undergoing renovations so that it can accommodate the relocation of this regional office. The anticipated relocation date of this regional office to the Steadman Government Center is December 2011. Mr. Eichler asked if at the present time there are any escalating charges due and owing to the landlord. Mr. Peterson indicated that there are no escalating charges due and owing to the landlord. Mr. Eichler asked if there is any additional rent due at the present time. Mr. Peterson indicated that there is no additional rent due. Mr. Eichler asked if the base year had been changed in terms of computing additional rental fees and/or monthly rental amounts under the new Lease Agreement. Mr. Peterson stated that the base year was not changed. Mr. Eichler noted that the renewal of the Lease Agreement expires on January 31, 2012, and asked why the Department did not extend the renewal term for a longer period of time in view of the option to cancel said Lease Agreement upon thirty (30) days written notice to the landlord. Mr. Eichler questioned this decision because of the uncertainty relating to the completion of the Steadman Government Center renovations. Mr. Peterson indicated that the Department believed it was best to negotiate a shorter term. It is Mr. Eichler's understanding after reviewing the Lease Agreement that the Department may elect to extend said Lease Agreement for an additional six (6) month period of time after January 31, 2012; however, the landlord would then have the option to terminate the

Lease Agreement upon thirty (30) days written notice, at any time after the Department gives notice of its intent to extend. Further, Mr. Eichler indicated that it appears that under the Lease Agreement, if the Department fails to vacate the premises within the allotted thirty (30) day period, the rent will be increased 125% of the existing Lease cost. Mr. Eichler asked whether his reading of the Lease Agreement is accurate. Mr. Peterson stated that Mr. Eichler's interpretation of the aforementioned terms and conditions of the Lease Agreement were in fact accurate. Mr. Eichler commented that it is likely that the landlord will exercise these options in accordance with the Lease Agreement if the renovations to the Steadman Government Center are not complete by the anticipated relocation date of December 2011. 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 Temporary Easement Agreement, by and between the Department of Environmental Management and Cardi Corporation to allow Cardi easements over two (2) parcels of land consisting of 5,300 square feet and 1,240 square feet to be utilized as temporary workspace for the reconstruction of the Weekapaug Bridge in the Town of Westerly. Ms. Primiano explained that this Temporary Easement Agreement will allow Cardi Corporation to utilize the aforementioned parcels of land located on the northerly and southerly sides of Atlantic Avenue for the reconstruction of the Weekapaug Bridge. Ms. Primiano stated

that the property will be used for purposes of staging and for the storage of construction equipment during said construction project. Ms. Primiano noted that said easements are limited to a time period of one (1) year from the date the Temporary Easement Agreement is executed by the State Properties Committee. Cardi Corporation will pay compensation to the Department in the amount of \$7,800.00 for access and use of the subject parcels of land under the terms and conditions of the Temporary Easement Agreement. A motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM D – Department of Transportation – A request was made for approval of a Certificate of Transfer of Land, by and between the Department of Transportation (the “Department”) and the Department of Environmental Management conveying approximately two (2) acres of land comprising the extreme southwesterly area of a twenty four (24) acre parcel of land known as Gull Cove located in the Town of Portsmouth. Ms. Brien explained that the Department is seeking approval of a Certificate of Transfer to convey control of the above-referenced property to be maintained by the Department of Environmental Management for fishing, a boat ramp, parking and public recreation. Ms. Brien stated that in the event the Department utilizes said property for a purpose other than the aforementioned activities, custody of the subject property will revert back to the Department. Additionally, Ms. Brien stated that if the Department of Environmental Management receives any revenue from its use of this property, for any reason, compensation will also revert back to the

Department. No property rights are being conveyed as part of this transaction. Ms. Brien explained that the Certificate of Transfer of Land merely assigns the Department of Environmental Management custody and control of the property; however, title to the property remains vested with the Department. Ms. Brien noted that there is no monetary compensation associated with the granting of said transfer.

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

Passed Unanimously

ITEM E – Department of Transportation – A request for final approval to advertise a Request for Proposals for two (2) stand alone parcels of land located at the intersection of Post Road and Cedar Avenue in the Town of East Greenwich. Item E is deferred to a future meeting at the request of the State Properties Committee

ITEM F – Department of Transportation – A request was made for approval of and signatures on a Permanent Loop Detector Easement Agreement, by and between Advance Stores Company Inc. and the Department of Transportation for the installation and future maintenance and/or repair of an additional loop inductor on privately-owned property located on Metacom Avenue in the Town of Warren. Ms. Kerr explained that the subject easement is being granted in conjunction with an application for a physical alteration permit. All work is being completed as part of the ongoing ADA Improvement Project on Metacom Avenue in the Town of Warren. Ms. Kerr noted that the property-owner has assumed the costs for a new signal head as well as the installation of granite curbing. A motion to

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

Passed Unanimously

The Committee may move 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 relating to the following items:

A motion to enter into Executive Session was made by Mr. Griffith and seconded by Mr. Woolley.

A roll call vote was taken and the votes were as follows: Mr. Griffith voted "Aye," Mr. Eichler voted "Aye," Mr. Woolley voted "Aye," and Chairman Renaud voted "Aye."

After discussions relating the following items, a motion to return to the regular session of the State Properties Meeting and to seal the minutes of the Executive Session until such time as said matters are resolved was made by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

The State Properties Committee returned to the regular session of the meeting at 10:39 a.m.

ITEM E1 – Department of Transportation – A request was made for permission to acquire easements for the replacement of the Conant Street Railroad Bridge No. 915 in the City of Pawtucket by virtue of Condemnation Plat 2666A, Parcels 2B, 4B, 6B and 9B. After

discussion in Executive Session, a motion to approve was made by Mr. Woolley and seconded by Mr. Griffith.

Passed Unanimously

ITEM E2 – Department of Transportation – A request was made for approval of and signatures on two (2) Temporary Easement Agreements for the replacement of the Frenchtown Brook Bridge No. 435 located on Frenchtown Road and Davisville Road in the Town of East Greenwich. After discussion in Executive Session, a motion was made to approve by Mr. Griffith and seconded by Mr. Woolley.

Passed Unanimously

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

Passed Unanimously

The July 19, 2011 meeting of the State Properties Committee adjourned at 10:40 a.m.

Holly H. Rhodes, Executive Secretary