

# **DEPARTMENT OF ADMINISTRATION**

## **STATE PROPERTIES COMMITTEE MEETING MINUTES**

**OF TUESDAY, OCTOBER 9, 2012**

**The meeting of the State Properties Committee was called to order at 10:06 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 K. Griffith representing the Rhode Island Department of Administration; Susan Urso representing the Rhode Island Department of Attorney General in the absence of Richard B. Woolley; 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; Kelly Carpenter from the Rhode Island Senate Fiscal Office; Director Janet L Coit, Mary E. Kay, Lisa Primiano and Michelle Sheehan from the Rhode Island Department of Environmental Management; Paul Carcieri, Robert B. Jackson, Christine Brien and Bruce Cadden from the Rhode Island Department of Transportation; Michael Mitchell and Kevin Nelson from the Rhode Island Department of Administration; Mayor Scott Avedisian of the City of Warwick; Mark S. Hayward from the U.S. Small Business Administration; John Howell from the Warwick Beacon; Katherine Trapani from Quonset Development Corporation Chairman Renaud stated for the record that the State Properties Committee did have a quorum present.**

**Chairman Renaud stated for the record that the State Properties**

**Committee has a quorum present to conduct business.**

**ITEM A – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract, by and between the Department of Environmental Management (the “Department”) and U.S. Small Business Administration, (the “SBA”) as Receiver for Moneta Capital Corporation. For the record, Chairman Renaud acknowledged the presence of Director Coit, Mary E. Kay and Lisa Primiano from the Department of Environmental Management as well as Mayor Scott Avedisian of the City of Warwick; Mark S. Hayward from the Small Business Association; and Director Richard Licht from the Department of Administration. Director Coit thanked the State Properties Committee for placing this important item on the agenda. Director Coit indicated that she is before the Committee to respectfully request approval of and signatures on a Purchase and Sale Contract for purposes of acquiring approximately eighty (80) acres of land located in the City of Warwick, which consists of the remaining portion of the property known as Rocky Point Park. Director Coit wished to recognize and thank Mayor Scott Avedisian who she indicated has been a collaborator on this project from its inception; Mark Hayward from the Small Business Association who she has worked with even before becoming the Director of the Department of Environmental Management and Director Richard Licht who she indicated the Committee would hear from shortly. Further, Director Coit wished to express her appreciation to both Mary Kay and Lisa Primiano for their tireless effort and constant support**

concerning this project as well as countless other projects they regularly present to the State Properties Committee on behalf of the Department. Director Coit affirmed that their hard work has made a significant difference in the appearance of the State of Rhode Island and how very fortunate the Department is to have them. Additionally, Director Coit wished to recognize Governor Lincoln Chafee who is a proponent of this project and has been for decades with the hope that the State could protect this land for the public to enjoy. Finally, Director Coit acknowledged the residents of the State of Rhode Island who voted overwhelmingly in favor of an open space bond in 2010, which is the funding source for this project. By way of background, Director Coit explained that the City of Warwick worked with the Department and the federal government to protect a forty (40) acre portion of the parcel which comprises the coastline that closed in 2007. Director Coit indicated that the Purchase and Sale Contract before the Committee today concerns the remaining portion of the property. Director Coit noted that this property is one of a kind given its size, the spectacular view it provides and Rhode Island resident's strong connection to it. Director Coit indicated that the property has been appraised and just last week the Warwick City Council voted to abate the taxes on the property, subject to the property being purchased for the benefit of the residents of the State of Rhode Island. Further, in August the U.S. Small Business Administration, in its capacity as Receiver for Moneta Capital Corporation, signed a letter of intent to purchase as well as executing the Purchase and Sale Contract before the Committee today. Director Coit stated that

subject to the Committee's approval of said Purchase and Sale Contract, the U.S. Small Business Administration, in its capacity as Receiver for Moneta Capital Corporation, will then move forward with the requisite proceedings before the Federal Court. Director Coit reiterated that the 2010 Open Space State Bond is the funding source for this acquisition and the agreed upon purchase price is \$9.65 million dollars. Director Coit explained that once this property is acquired by the State of Rhode Island, the Department can begin the clean up process and later commence work on the envisioned development of the land that the Department has discussed with its partners, the City of Warwick and the appropriate federal agencies to ensure that the parcel will be a truly spectacular amenity for the residents of Rhode Island for many years to come. Chairman Renaud noted that he had an opportunity to tour the property last week and despite years of neglect, it remains a spectacular site. Relative to the cleanup process, Chairman Renaud stated that prior to the demolition of several existing structures all were abated of hazardous materials. Ms. Primiano stated that the two (2) largest structures, the former Dinner Hall and the Palladium, have not yet been demolished; however, the Department has completed an initial investigation of the property; examining the cost of future demolition and disposal, which seems to be the bulk of the expense. Ms. Primiano stated that there are no transformers or known hazardous waste left on the property. She indicated that at one time there was a land fill, which has since been closed. Ms. Primiano stated that there is a modest amount of work left to do in order to increase the cover of said land fill;

however, there is no hazardous waste issue remaining on the property. She indicated that the cottages situated along the shoreline will be demolished. Chairman Renaud asked whether the 2010 Open Space Bond Fund is sufficient to cover the property's \$9.65 million dollar purchase price. Ms. Primiano stated that said bond fund is sufficient to cover the entire agreed upon purchase price. Chairman Renaud noted that the property's appraised value is approximately \$10 million dollars and the assessed value is actually closer to \$15 million dollars. Using a site map, Ms. Primiano illustrated the specific land comprising the subject acquisition and addressed questions concerning the rights of an existing tenant to purchase one of three lots referred to as the Perry Lot in accordance with a provision contained in the Purchase and Sale Contract and how said purchase would affect the subject acquisition. Mr. Griffith asked who will be responsible for maintaining the property. Director Coit stated that once the Department acquires the property, the Department will be responsible to maintain the property. Director Coit explained that the Department and City of Warwick share joint interest relative to the coastal portion of the land and the Department will continue to work very closely with the City to address any issues that arise. Mr. Griffith asked if the Division of Parks and Recreation would be charged with the responsibility of maintaining the property. Director Coit stated that is correct. Mr. Griffith asked if the Department has addressed the additional financial burden associated with the maintenance of the subject property. Director Coit stated that because of the site's popularity and interest in this site, the

Department is investigating a possible partnership agreement with a private concessionaire or someone interested in re-opening the Dinner Hall, which would generate a revenue stream to offset the cost of maintaining and managing the property. Director Coit asked Director Licht if he wished to say a few words. Director Licht urged the Committee to support this project. He stated that any resident, who has been in Rhode Island for more than 20 years, has to have some fond memories of Rocky Point Park. Director Licht indicated that he enjoyed the amusement park as both a child and a parent. Director Licht stated that the site is a jewel and noted that this is a rare opportunity to preserve and protect this property in perpetuity for the residents of Rhode Island. Director Licht observed that the voting residents of Rhode Island spoke loud and clear when they voted to endorse this project through the 2010 Open Space State Bond Referendum. Director Licht explained that the bonds have already been sold and the funding is available whenever Mayor Avedesian, the Department and U.S. Small Business Association are prepared to proceed with the acquisition subject to the Bankruptcy Court's approval. Director Licht personally and on behalf of Governor Chafee, applauds the tremendous effort made by the Department, led by Director Coit together with her entire team. Director Licht acknowledged that Mark Haywood, on behalf of the U.S. Small Business Administration, was reasonable and willing to make concessions in order to make this project possible. However, most importantly, the people of the City of Warwick, led by their Mayor, for their efforts and their willingness to acquire the coastline

portion of this property jointly with the Department and for making the sacrifice to abate the taxes relating to this property. Director Licht again commended all parties for their hard work so that the people of Rhode Island can enjoy this property for many, many years into the future. Mayor Avedesian agreed that this is truly an unprecedented opportunity as evidenced by the thousands of people that currently visit and enjoy the 41 acre portion of this parcel each and every week. Mayor Avedesian commented that he attended his very first meeting concerning the Rocky Point property seventeen (17) years ago while working for Governor Almond. The Mayor stated that although this has been a long, long process, it clearly demonstrates what can be accomplished when state, local and federal officials work together toward a common goal. Mayor Avedesian indicated that the purchase of this property will be a great addition to the open space inventory for both the City and the State. Director Coit commented that if Mark Hayward were not in the position he is, it is doubtful that this item would be before the Committee today and requested he say a few words. Mr. Hayward indicated that he had an opportunity to tour the property last week and remarked that it is certainly a historic piece of property here in the State of Rhode Island. Mr. Hayward explained that this transaction has been a long time coming. The property went into bankruptcy in 1995 and in the year 2000, the U.S. Small Business Administration, requested that the Federal Court takeover as Receiver; however, U.S. Small Business Administration was designated as Receiver by Justice Lisi. Mr. Hayward explained that in

**that process a number of proposals came forward. A motion to approve was made by Ms. Urso and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM B – Department of Environmental Management – A request for approval of and signatures on a License Agreement, by and between the Department of Environmental Management and Daniel Costa relative to the Carolina Fish Hatchery Caretaker Residence located at 1 Summit Road within the Arcadia Management Area in the Town of Richmond. Item B is deferred to a future meeting of the State Properties Committee at the request of the Department of Environmental Management.**

**ITEM C – Department of Environmental Management – A request was made for approval of and signatures on an Agreement and Assignment over approximately 23.6 acres of land located on West Main Road in the Town of Little Compton; known as Cabot Farm. A motion to approve was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM D – Department of Environmental Management – A request was made for approval of and signatures on a Conservation Easement over forty-five (45) acres of land located on Hudson Pond Road in the Town of West Greenwich; known as the Smith Property. A motion to approve was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM E – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed for the**

**acquisition of approximately 245.72 acres of land located along Ellen Brady Drive in the Town of Richmond; known as the DelBonis Property. A motion to approve was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM F – Department of Environmental Management – A request was made for approval of and signatures on a Warranty Deed, by and between SOJO Realty, LLC and the Department of Environmental Management for the acquisition of approximately 40,968 square feet of land located at 1420 Broad Street in the City of Central Falls; known as the Valley Falls Landing Property. A motion to approve both Items F and G was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM G – Department of Environmental Management – A request was made for approval of and signatures on a Purchase and Sale Contract, by and between the Department of Environmental Management and the City of Central Falls for the conveyance of approximately 40,968 square feet of land located at 1420 Broad Street in the City of Central Falls; known as the Valley Falls Landing Property. A motion to approve both Items F and G was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM H – Department of Transportation – A request was made for approval and execution of an Amended Purchase and Sale**

**Agreement, by and between the Department of Transportation and the Town of Smithfield relative to property located at intersection of Routes 7 and 116 in the Town of Smithfield. A motion to approve was made by Ms. Urso and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM I – Department of Transportation – A request was made for conceptual approval to convey 134,854 square feet of State-owned land located adjacent to Centerville Road and the I-95 South off ramp to Centerville Road in the City of Warwick.**

**A motion to approve the issuance of a Request for Proposals relative to the subject property was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**ITEM J – Department of Transportation – A request was made for approval of and signatures on a Purchase & Sale Agreement and a Quitclaim Deed for the conveyance of 454,765 square feet of property located at Quonset Business Park, a portion of the former Roger Williams Way to the Quonset Development Corporation. A motion to approve was made by Ms. Urso and seconded by Mr. Griffith.**

**Passed Unanimously**

**ITEM K – Department of Transportation – A request was made for approval of and signatures on a License Agreement, by and between the Department of Transportation and Goulding Properties, LLC for use of 7,800 square feet of State-owned property located west of Charles Street and adjacent to I-95 Southbound in the City of Providence for vehicle parking and beautification. A motion to**

**approve was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

**There being no further business to come before the State Properties Committee, the meeting was adjourned at 11:06 a.m. The motion to adjourn was made by Mr. Griffith and seconded by Ms. Urso.**

**Passed Unanimously**

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**Holly H. Rhodes, Executive Secretary  
State Properties Committee**