



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
BUDGET OFFICE
One Capitol Hill
Providence, R.I. 02908-5886

Memorandum

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable William J. Conley, Jr.
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: June 3, 2019

Subject: New Article Relating to Approval of Leases (19-H-5151)

The Governor requests that a new article entitled "Relating to Lease Agreement for Leased Office and Operating Space" be added to the FY 2020 Appropriations Act. The new article is a joint resolution which authorizes the State Properties Committee to enter into multi-year lease agreements for the following properties:

1. Department of Transportation, 288 Allens Avenue, Providence
2. Department of Corrections, 249 Roosevelt Avenue, Pawtucket
3. Department of Human Services, 249 Roosevelt Avenue, Pawtucket
4. Board of Elections, 2000 Plainfield Pike, Cranston
5. Department of Human Services, Providence
6. Office of Post-Secondary Commissioner, Woonsocket

If you have any questions regarding this amendment, please feel free to call me (222-6300).

TAM: 20-Amend-34
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
John Ryan, Division of Capital Asset Maintenance and Management

NEW ARTICLE

RELATING TO LEASE AGREEMENTS FOR LEASED OFFICE AND OPERATING SPACE

SECTION 1. This article consists of joint resolutions that are submitted pursuant to Rhode Island General Laws § 37-6-2 authorizing lease agreements for office space and operating space for the Department of Transportation, the Department of Corrections, the Department of Human Services the Rhode Island Board of Elections, and the Office of the Commissioner for Post-Secondary Education.

SECTION 2. *Transportation, 288 Allens Avenue, Providence.*

WHEREAS, the Department of Transportation currently holds a lease agreement with 288 Allens Avenue, LLC for 33,000 square feet of garage/highway maintenance facility space located at 288 Allens Avenue in the City of Providence; and

WHEREAS, the leased premises are occupied by a portion of the Department's Highway Maintenance Division staff and its heavy equipment fleet.

WHEREAS, The State of Rhode Island, acting by and through the Department of Transportation, attests to the fact that there are no clauses in the lease agreement with 288 Allens Avenue, LLC that would interfere with the Department of Transportation's lease agreement or use of the facility; and

WHEREAS, the existing lease expires on September 31, 2019 and the Department of Transportation wishes to renew the lease agreement with 288 Allens Avenue, LLC for a period of five (5) years; and

WHEREAS, the proposed leased premises will provide a central location from which the Department of Transportation can deploy highway maintenance crews to

complete work on the state highway system and otherwise fulfill the mission of the Department; and

WHEREAS, the annual rent in the agreement in the current fiscal year, ending June 30, 2019 is \$525,714; and

WHEREAS, the aggregate rent for the five-year lease term is anticipated to be within the range of \$2,988,288-\$3,000,000; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Transportation and 288 Allens Avenue, LLC, for the facility located at 288 Allens Avenue in the City of Providence; now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed five (5) years and the aggregate rent in the range of \$2,988,288-\$3,000,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Transportation, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 3. *Corrections, 249 Roosevelt Avenue, Pawtucket*

WHEREAS, the Department of Corrections holds a current lease agreement, in full force and effect, with PUI O, Inc. for 4,200 square feet of space located at 249 Roosevelt Avenue in the City of Pawtucket; and

WHEREAS, the current lease expires on June 30, 2019 and the Department of Corrections wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

WHEREAS, the State of Rhode Island, acting by and through the Department of Corrections, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that would interfere with the Department of Corrections lease agreement or use of the facility; and

WHEREAS, the leased premises provide a regional Adult Probation and Parole location from which the Department of Corrections can serve the needs of the City of Pawtucket and its surrounding communities and otherwise further fulfill the mission of the Department; and

WHEREAS, the annual all-inclusive rent (base rent/utilities/janitorial services) in the agreement in the current fiscal year, ending June 30, 2019 is \$99,734; and

WHEREAS, the aggregate all-inclusive rent for the five-year lease term is anticipated to be within the range of \$515,000-520,000; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Corrections and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of Pawtucket; now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed five (5) years at an aggregate all-inclusive rent for the five-year lease term in the range of \$515,000-520,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Corrections, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 4. *Human Services, 249 Roosevelt Avenue, Pawtucket.*

WHEREAS, the Department of Human Services holds a current lease agreement, in full force and effect, with PUI O, Inc. for 24,400 square feet of space located at 249 Roosevelt Avenue in the City of Pawtucket; and

WHEREAS, the current lease expires on June 30, 2019 and the Department of Human Services wishes to renew the lease agreement with PUI O, Inc. for a period of five (5) years; and

WHEREAS, the State of Rhode Island, acting by and through the Department of Human Services, attests to the fact that there are no clauses in the lease agreement with PUI O, Inc. that would interfere with the Department of Human Services lease agreement or use of the facility; and

WHEREAS, the leased premises provide a regional location from which the Department of Human Services can serve the needs of the City of Pawtucket and its surrounding communities and otherwise further fulfill the mission of the Department; and

WHEREAS, the annual rent (inclusive of janitorial services and systems furniture) in the agreement in the current fiscal year, ending June 30, 2019 is \$453,598; and

WHEREAS, the aggregate rent (inclusive of janitorial services and systems furniture) for the five-year lease term is anticipated to be within the range of \$2,375,000-\$2,700,000; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Human Services and PUI O, Inc., for the facility located at 249 Roosevelt Avenue in the City of Pawtucket; now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed five (5) years at an aggregate rent (inclusive of janitorial services and systems furniture) for the five-year lease term in the range of \$2,375,000-\$2,700,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 5. *Board of Elections, 2000 Plainfield Pike, Cranston.*

WHEREAS, the Board of Elections currently occupies space in a state-owned building located at 50 Branch Avenue in the City of Providence; and

WHEREAS, the property located at 50 Branch Avenue will require a significant capital investment over the course of the next five (5) years; and

WHEREAS, the Governor's Efficiency Commission has recommended the immediate sale of the property located at 50 Branch Avenue and the relocation of the Board of Elections into leased space; and

WHEREAS, the Board of Elections recently advertised a Request for Proposals to secure a new location that will feature both office and warehouse space; and

WHEREAS, upon completing an evaluation of the submitted lease proposals, the Rhode Island Board of Elections wishes to enter into a ten-year lease agreement with Dean Warehouse Services Inc. and Berkeley Acquisition Inc. for office and warehouse space located at 2000 Plainfield Pike in the City of Cranston. The leased premises provide an efficient and centralized location from which the Board of Elections can serve the needs of all the municipalities located in the State of Rhode Island and otherwise further and fulfill the mission of the Board; and

WHEREAS, the aggregate rent for the ten-year lease term is anticipated to be within the range of \$6,000,000-\$6,500,000;

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Rhode Island Board of Elections and Dean Warehouse Services Inc. and Berkeley Acquisition Inc., for the facility located at 2000 Plainfield Pike in the City of Cranston; now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed ten (10) years and at an aggregate rent in the range of \$6,000,000-\$6,500,000.00; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Executive Director of the Rhode Island Board of Elections, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 6. *Human Services, Providence.*

WHEREAS, the Department of Human Services holds a current lease agreement, in full force and effect, with One Jake's Way, LLC. for 75,000 square feet of space located at 206 Elmwood Avenue in the City of Providence; and

WHEREAS, the current lease expired on May 31, 2019 and the Department of Human Services occupies this space on a month-to-month basis; and

WHEREAS, the annual base rent in the agreement in the current fiscal year, ending June 30, 2019 is \$2,006,250; and

WHEREAS, the State of Rhode Island, acting by and through the Rhode Island Department of Human Services, attests to the fact that there are no clauses in the lease agreement with One Jake's Way, LLC. that would interfere with the Department of Human Services lease agreement or use of the facility; and

WHEREAS, based on the recommendations of the Governor's Efficiency Commission, the Department of Human Services plans to move all back-office personnel to state-owned office space at the John O. Pastore complex in Cranston; and

WHEREAS, the Department recently advertised a Request for Proposals to secure new customer service/office space containing approximately 30,000-32,000 square feet in the City of Providence;

WHEREAS, the Department wishes to enter into a ten-year lease agreement with a landlord to be determined for customer service/office space located at a site to be determined in the City of Providence. The leased premises provide a regional location from which the Department of Human Services can serve the needs of Providence and its surrounding communities and otherwise further and fulfill the mission of the Department; and

WHEREAS, the aggregate rent (inclusive of janitorial services and systems furniture) for the ten-year lease term is anticipated to be within the range of \$7,500,000-\$9,000,000;

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Department of Human Services and a landlord to be determined for a facility located at a site to be determined in the City of Providence; now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed ten (10) years and at an aggregate rent (inclusive of janitorial services and systems furniture) anticipated to be within the range of \$7,500,000-\$9,000,000; and it be further

RESOLVED, that this Joint Resolution shall take effect upon passage by the General Assembly; and it be further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of the Department of Human Services, the Director of Administration, the State Budget Officer, and the Chair of the State Properties Committee.

SECTION 7. *Office of the Commissioner on Post-Secondary Education, Woonsocket*

WHEREAS, Office of the Commissioner of Post-Secondary Education desires to lease approximately 19,000 rental square feet of space at a site to be determined in the City of Woonsocket owned by a landlord to be determined for the purpose of developing and operating a northern Rhode Island and Woonsocket Education & Industry Center;

WHEREAS, the Office of the Commissioner of Post-Secondary Education currently does not run such a facility in northern Rhode Island or Woonsocket and there is no current rent or present lease in place for any such facility;

WHEREAS, the annual rent in the lease agreement in years 1 through 10 is not to exceed \$323,000; and

WHEREAS, the State Properties Committee now respectfully requests the approval of the House of Representatives and the Senate for the lease agreement between the Council on Post-Secondary Education on behalf of the office of the Commissioner of Post-Secondary Education and a landlord to be determined for a site to be determined in the City of Woonsocket; and now therefore be it

RESOLVED, that this General Assembly hereby approves the lease agreement, for a term not to exceed ten (10) years at a total cost not to exceed \$3,230,000; and be it further

RESOLVED, that the Secretary of State is hereby authorized and directed to transmit duly certified copies of this resolution to the Governor, the Director of Administration, the State Budget Officer, the Chair of the State Properties Committee and the Commissioner of the Office of Post-Secondary Education.