

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On March 26, 2020 – remotely via telephone conference –

Pursuant to Governor Lamont's Executive Order No. 7B regarding suspension of In-Person Open Meeting requirements, the State Properties Review Board conducted its Regular Meeting at 9:30AM on March 26, 2020 remotely via telephone conference at (866)-692-4541, passcode 85607781.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present

Chairman Greenberg inquired if there were any public participants. None responded.

Chairman Greenberg called the meeting to order.

Mr. Valengavich moved and Mr. Halpert seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

1. ACCEPTANCE OF MINUTES

Mr. Valengavich moved and Mr. Halpert seconded a motion to approve the minutes of the March 19, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai gave an update that the DOT files were dropped off per the new procedure.

3. REAL ESTATE- UNFINISHED BUSINESS

PRB #	20-037
Transaction/Contract Type:	RE/ Voucher
Origin/Client:	DOT/DOT
Project Number:	015-371-013
Grantee:	City of Bridgeport
Property:	Bridgeport, Bond Street (379)
Project Purpose:	Seaview Avenue Corridor Improvements
Item Purpose:	Voucher

DAMAGES: \$190,000.00

March 23, 2020 Update

At its meeting held on March 19, 2020 the State Properties Review Board voted to suspend this item pending resolution of the following issues:

- Is there a legal Agreement between the City of Bridgeport and State of Connecticut regarding DOT acquiring land and easements on behalf of the City for this project, as well as to provide design and construction services? If yes, please provide an electronic copy.
 - a). And, if the City of Bridgeport did request technical and financial assistance from DOT and Federal Government, is it appropriate for the State DOT to compensate the City for land it owns, when this project was initiated by the City and upon completion of the project, all land acquired by the State DOT will be conveyed to the City?

DOT Response: Per your request attached are the original Project Authorization Letter (PAL) and a supplemental pal for the subject file/project.

Typically on projects like this one the town request the state to perform right of way activities and if we agree to acquire property for the project we enter into a PAL.

In the case of this project the town requested the state perform the right of way, funding for Rights of Way is 80% Federal and 20% Town. The Rights of way Funding includes the cost of the properties as well as the cost of the state's personnel services.

The property currently is owned by the town but part of school property because it is not part of town right of way today they are entitled to compensation for the property under Federal Regulations. We acquire the property and then upon completion of the construction the department will release the area back to the town as right of way.

Staff Response: OK

RECOMMENDATION: Staff recommend **approval** of this proposal to award damages in the amount of \$190,000 for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The acquisition value is supported by the independent appraisal report completed by Steven E. MacCormack.

PROJECT: The City of Bridgeport, with technical and financial assistance from the Connecticut Department of Transportation (CTDOT) and the Federal Highway Administration (FHWA), proposes reconstruction, streetscape enhancements, and a new transportation corridor centered upon Seaview Avenue in Bridgeport. The project will reconstruct and provide streetscape enhancements on Seaview Avenue and construct a new arterial roadway which will provide access to the planned Lake Success Business Park (LSBP), as well as the new Harding High School.

Improvements on Seaview Avenue from Barnum Avenue to US Route 1 are anticipated to include pavement rehabilitation, replacement and upgrade of traffic signal equipment, new sidewalks, streetscape enhancements, transit service features, and relocation of above ground utilities to below grade. The intersection at US Route 1 will be realigned to accommodate a "normalized" four-way intersection with Seaview Avenue and Bond Street, thus eliminating the current offset alignment of the north/south legs.

SITE DESCRIPTION: The subject property consists of a 17.164 acre (747,668 sf) with 1,297.54 feet of frontage on the west side of Bond Street. The site is level at grade. The property is located in the RC Residential C Multi-family residential zone and conforms to zoning. The site is improved with a 217,157 sq.ft. high school building and a 2,678 sq.ft. municipal building, asphalt-paved parking area, athletic fields and a perimeter chain link fence. The property includes a deed restriction limiting the use to an "education institution" and subject to an Environmental Land Use Restriction (ELUR).



The Appraiser opined the highest and best use of the property is as follows:

Highest and Best Use of the Appraised Land As Vacant

The subject's land is zoned R-C where residential and some commercial uses are permitted uses in the neighborhood; however, the deed restricts the subject site's use stating that "the property shall only be used for an educational institution". The subject is on the west side of Bond Street which have been historically occupied by commercial users. For these reasons, a commercial use is legally permissible and a commercial use is the most likely use of the land. The subject is a level site that has access to all utilities including electricity, gas, telephone, public sewer and public water.. The shape conforms to market standards and site access is adequate. The presence of the existing improvements indicates that development is physically possible. The market has proven that it is financially feasible to develop a commercial use and a commercial use in this zone is maximally productive. Considering these factors, the highest and best use of the site as vacant would be for commercial development with a restricted use for an educational institution in conformance with current zoning requirements to develop the site.

Before Valuation: An appraisal was done by independent Appraiser Steven E. MacCormack, as of 8/29/2019.

Land Valuation: Based on the sales comparison approach, the Appraiser considered three commercially-zoned comparable sales, one in Milford and two in abutting Stratford, and concluded that the fair market value of the entire property (land only) is \$125,000/acre. The value of the land, before the taking, is then 17.164 acre x \$125,000/acre = \$2,145,500, rounded to \$2,146,000.

The Appraiser estimated the value of the site improvements at \$150,000.

Sales Comparison Approach: The Appraiser considered three sales of warehouses:

SUMMARY OF PROPERTY SALES					
Sale	Location	Sale Date	Sale Price	Bldg. Area (SF)	Sale Price / Sq. Ft.
1	565 Chase Parkway & 31 Eastridge Drive Waterbury, CT	9/26/17	\$9,600,000	138,800	\$69.16
2	175 Jefferson Street Fairfield, CT	8/5/16	\$16,500,000	177,187	\$93.12
3	130 Leeder Hill Drive Hamden, CT	1/15/16	\$14,100,000	144,574	\$97.53
Subject:	379 Bond Street Bridgeport, CT			219,835	

The Appraiser concluded that the fair market value of the entire property is \$90.00/square foot. The value of the building, before the taking, is then 219,835/sq.ft. x \$90/sq.ft. = \$19,785,150, rounded to \$19,785,000.

Income Capitalization Approach: The Appraiser considered three listings of office properties:

SUMMARY OF OFFICE RENTALS						
#	Address Tenant/User	Leased Area (Sq. Ft.)	Rent/ Sq. Ft.	Lease Date	Lease Term	Lease Conditions/Comments
1	350 Fairfield Avenue Bridgeport, CT	19,647	\$14.50	Available	1-5 yrs.	NNN or \$18.50/SF Modified Gross. 114,000 SF Class B Office Building built in 1980.
2	10 Middle Street Bridgeport, CT	42,751	\$19.00	Available	1-5 yrs.	NNN or \$23.00 Modified Gross. 184,000 SF Class A Office Building built in 1973.
3	1000 Lafayette Boulevard Bridgeport, CT	47,354	\$20.00	Available	1-5 yrs.	NNN or \$24.00 Modified Gross. 214,444 SF Class A Office Building built in 1989.

The Appraiser concluded that the fair market value of the property is \$20.00/square foot, on a triple-net basis, or 219,835 sf x \$20/sf = \$4,396,700 gross potential income. After deducting for vacancy, fixed and variable operating expenses (\$3,271,145 Net Operating Income), the Appraisers developed and supported a 7.75% overall capitalization rate, indicating a value of \$42,208,323, rounded to \$42,208,000.

Reconciliation & Value Conclusion

VALUE CONCLUSIONS	
Cost Approach	Not developed
Sales Comparison Approach	\$19,785,000
Income Approach	\$42,208,000
Market Value As Of August 29, 2019	\$25,000,000

DOT requires acquiring the following:

- A partial take in fee-simple along Bond Street – 63,598± sf
- A right to construct sidewalk over an area of 1,447± sf
- A right to construct driveway acquired over an area of 2,126± feet
- An easement to slope for the support of the highway acquired over an area of 1,970± feet
- An easement to slope for the support of the highway acquired over an area of 3,213± feet

The following is a summary of the effects of the taking:

1. A loss of a total of 63,598± sq.ft. of land area
2. The slope easements will limit utility of that land area.

After Valuation:

Land Valuation: The Appraisers utilized the same land sales from the Before valuation and concluded that the fair market value of the remaining property (land only) is \$125,000/acre.

Item	Calculation	Damages
Remaining Land	15.704 ac x \$125,000/ac	\$1,963,000
Easement to Slope	1,970± SF @ \$125,000/ac x 50%	-\$2,827
Easement to Slope	3,213± SF @ \$125,000/ac x 50%	-\$4,610
	Total:	\$1,955,963
	Rounded	\$1,956,000

Sales Comparison Approach: The Appraiser considered three sales of warehouses, all in Bridgeport, and concluded that the fair market value of the entire property is diminished by \$1.00/sf from the

Before Value (\$90.00/sf) due to decreased land-to-building ratio, concluding \$89.00/sf. The value of the building, after the taking, is then 219,835/sq.ft. x \$89.00/sq.ft. = \$19,565,315, rounded to \$19,565,000.

Income Capitalization Approach: The Appraiser considered three listings of office similar properties, all in Bridgeport. The Appraiser concluded that the fair market value of the entire property is diminished by \$0.10/sf from the Before Value (\$20.00/sf) due to decreased land-to-building ratio, concluding \$19.90/sf, on a triple-net basis, or 219,835 sf x \$19.90/sf = \$4,374,717 gross potential income. After deducting for vacancy, fixed and variable operating expenses (\$3,254,790 Net Operating Income), the Appraisers developed and supported a 7.75% overall capitalization rate, indicating a value of \$41,997,290, rounded to \$41,997,000.

Reconciliation & Value Conclusion

VALUE CONCLUSIONS	
Cost Approach	Not Developed
Sales Comparison Approach	\$19,565,000
Income Approach	\$41,997,000
Market Value As Of August 29, 2019	\$24,810,000

Total Direct Damages are calculated as follows:

Direct Damages	
Value Before:	\$25,000,000
Less Value After:	<u>\$24,810,000</u>
Total Direct Damages =	\$190,000

Staff asked DOT to clarify the following:

- Is there a legal agreement between the City of Bridgeport and State of Connecticut regarding DOT acquiring land and easements on behalf of the City for this project, as well as to provide design and construction services ? If yes, please provide an electronic copy.
 - a) And, if the City of Bridgeport did request technical and financial assistance from DOT and Federal Government, is it appropriate for the State DOT to compensate the City for land it owns, when this project was initiated by the City and upon completion of the project, all land acquired by the State DOT will be conveyed to the City?

RECOMMENDATION: Staff recommend suspension of this proposal to award damages in the amount of \$190,000 to permit DOT to respond to the aforementioned inquiries.

4. REAL ESTATE – NEW BUSINESS

PRB # 20-042
Transaction/Contract Type: RE/ Sale by Abutter Bid
Origin/Client: DOT/DOT
Project Number: 63-30-32E
Grantee: Ryder Truck Rental, Inc.
Property: Hartford, West Service Road (219) – 10,077 sq.ft. land
Project Purpose: Sale by Abutter Bid
Item Purpose: Quit Claim Deed

Sale Price: \$230,000

Under this proposal, DOT will release an irregularly-shaped, 10,077 square foot (0.23 acre) parcel of land with 632.36 feet of frontage on the east side of West Service Road, originally acquired by DOT in 1941. The site is improved chain link fencing, two light poles, gravel/pavement and part of a two-faced billboard sign. According to the DOT Appraiser, the property is industrially zoned (I-2), non-conforming lot. The easterly abutter (Ryder) is currently encroaching onto this property.

The sole abutter is comprised of two contiguous parcels fronting Weston Street and Fishfry Street. The two parcels contain a total of 13.92 acres with a total of 1,512.31 feet of frontage on the two roadways. There appears to be limited direct frontage on West Service Road.



Valuation – With the release of this parcel via a Sale by Abutter Bid, DOT Appraiser Anthony John DeLucco appraised the property, as of May 7, 2018, in both the Before and After assemblage, valuing the two contiguous properties in the Before Valuation as they meet the standard of the Larger Parcel per Yellow Book Standards. Based on the sales data comparison approach, the Appraiser utilized three sales of similarly-zoned land in Windsor Locks, Bloomfield and Waterbury and concluded the fair market value of the Larger Parcel was \$185,000 per acre, or $\$185,000 \times 13.92 \text{ acres} = \$2,575,200$, rounded to \$2,575,000.

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the assembled parcel was \$195,000 per acre, or $\$195,000 \times 14.15 \text{ acres} = \$2,759,250$, rounded to \$2,759,500. The increase in the per-acre-value as due to the increased frontage and access to West Service Road.

Value of the Release

After Valuation	\$2,759,500
Before Valuation	\$2,575,000
Value of Release	\$184,500

Sale by Abutter Bid & Negotiations – On May 15, 2018, the Sole Abutter was offered the State Property for a sale price of \$230,000. The Abutter’s legal representation responded on May 23, 2018, accepting the State’s offer.

On July 19, 2019, OPM returned the Petition Package to DOT as the Grantee notified the State of its intent to self-report to the State Elections Enforcement Commission (SEEC) of a political contribution that may conflict with CGS §9-612(f)(E). The SEEC issued an Agreement Containing Consent Order (File No. 2019-099), dated September 23, 2019, that determined mitigating circumstances existed and the Respondent is not barred with proceeding with its acquisition of the State Property. The Respondent paid a \$300 civil penalty.

Staff inquired with DOT for clarification of the following issues:

- Based on the location of the Billboard encroaching onto the northerly portion of the Release Parcel, as well as the Billboard encroaching into the southerly portion of the Release Parcel (air-rights), is/was DOT party to an Agreement with the Grantee (or prior ownership entity) regarding payment to the State for the use of State land and Air Rights?
- If yes, please provide income generated from these agreements from advertiser/s. Should this income be included in appraising the value?
- Was DOT party to the Grantee's local zoning approvals to erect the Billboards encroaching onto the State Release Parcel?
- In light of any potential liability issues, was the Grantee required to provide DOT a Certificate of Liability Insurance?

Recommendation – Staff recommendation is contingent upon DOT responses to Board inquiries.

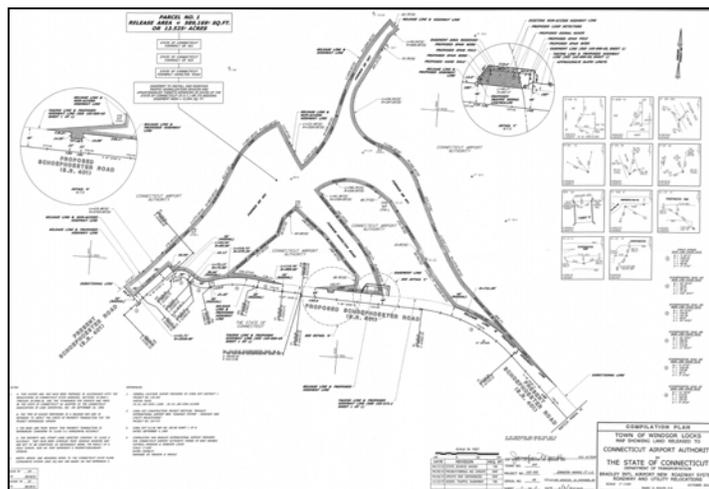
PRB # 20-043
Transaction/Contract Type: RE/ Conveyances
Origin/Client: DOT/CAA
Project Number: 165-000-65 & 165-000-66
Property: Bradley Airport Access Roads
Project Purpose: Special Service Roads 401 & 403
Item Purpose: Quit Claim Deeds

At its January 23, 2017 meeting, the SPRB approved under Board File #17-004, a Memorandum of Understanding between the Department of Transportation (“DOT”) and the Connecticut Airport Authority (“CAA”) to allow the CAA to make improvements surrounding Bradley International Airport to include the construction of a Ground Transportation Center at Parking Lot 1.

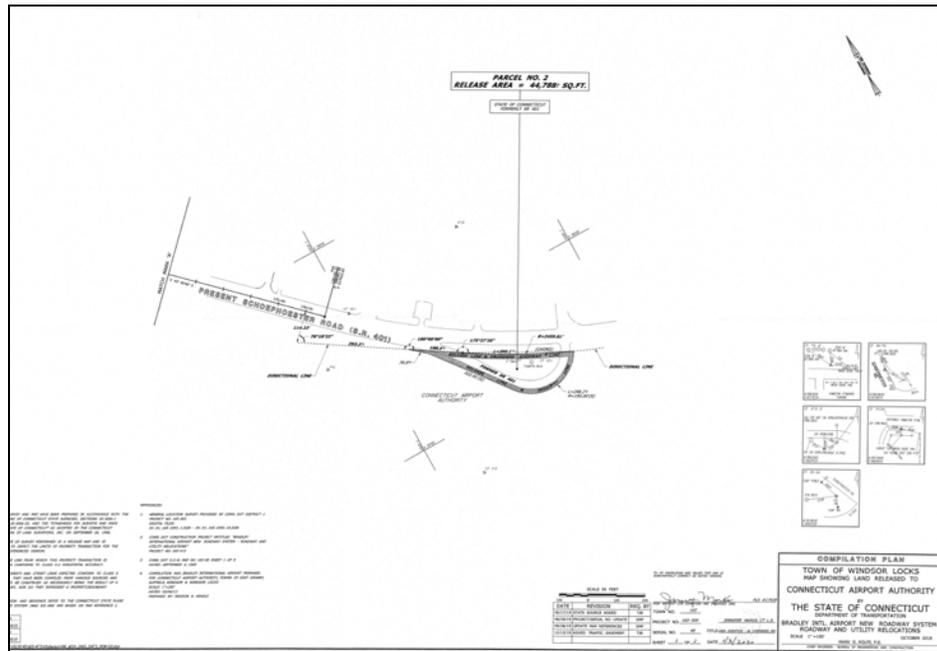
To complete construction for this project CAA needed to completely realign Special Service Roads (“SSR”) 401 and 403. SSR 401 (Schoephoester Rd) is the main roadway to the airport extending from the terminus of Route 20 easterly to Route 75. SSR 403 is primarily the main access to the airport terminals and is only partially maintained by DOT. Pursuant to the MOU, upon completion of the roadway project DOT is required to convey some current roadway property to CAA and CAA will convey a newly-constructed roadway property to DOT upon completion of construction and DOT acceptance of the roadway.

The roadway construction is now complete and both DOT and CAA are prepared to convey the respective land to each other as identified in the following maps.

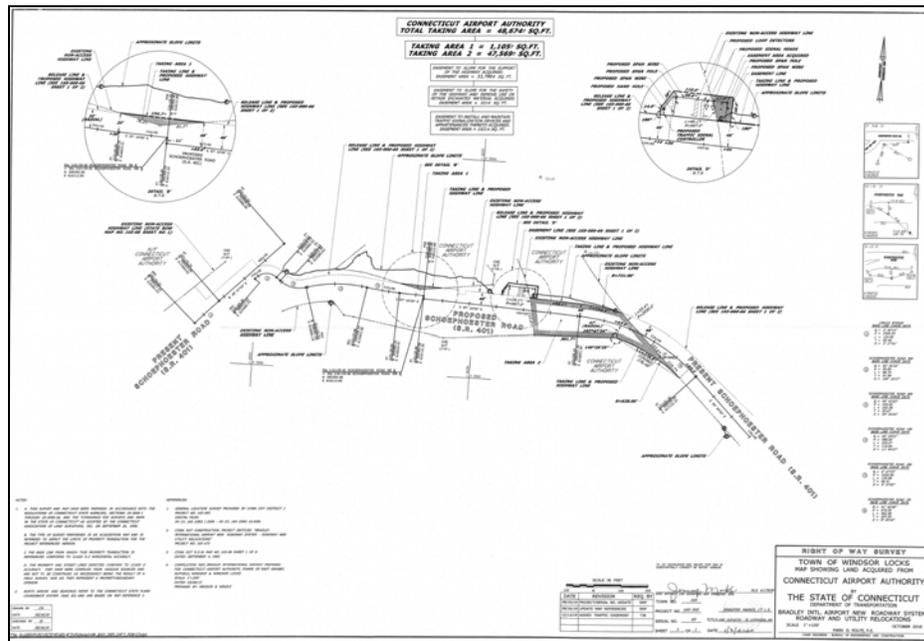
Parcel #1 DOT to convey to CAA



Parcel #2 DOT to convey to CAA



Parcels #1 & #2 CAA to convey to DOT



RECOMMENDATION: Staff recommend Board **approval** for the conveyances of the three parcels via two Quit Claim Deeds, for the following reasons:

1. The conveyance is consistent with the DOT Commissioner's authority under CGS 13a-80;
2. The conveyance is consistent with the CAA's authority under CGS 15-120cc;
3. The legal descriptions in the Quit Claim Deeds are consistent with the survey maps prepared by DOT.

Ground Transportation Center at Parking Lot 1



From PRB #17-004

To: Chairman Greenberg and SPRB

Members From: Brian Dillon, State Properties

Review Board

Re: PRB #17-004 – CT Department of Transportation – CT Airport Authority

Memorandum of Understanding - Bradley Airport Special Service Roads 401 and 403

Public Act 11-84 authorized the Department of Transportation (“DOT”) to transfer the ownership, jurisdiction and authority to control, operate and maintain the airports to the Connecticut Airport Authority (“CAA”). As such, CAA has now proceeded to move forward on various improvement projects related to Bradley Airport and its operations. One of the next projects to be implemented by CAA will be the construction of a Ground Transportation Center at Parking Lot 1.

To initiate the design and construction process for this project CAA will need to complete the re-alignment of Special Service Roads (“SSR”) 401 and 403. This roadway project will require the DOT to transfer some current roadway property to CAA and for CAA to grant some new roadway property to DOT upon completion

DOT and CAA have entered into a Memorandum of Understanding (“MOU”) to allow for the transfer of the required property to CAA, the subsequent construction of new roadways by CAA consistent with DOT requirements and then the final acceptance and transfer of the new roadways back to DOT upon completion. The MOU contains a series of Plan Sheet Exhibits which are as follows: Exhibit A.) Existing Site Plan and Project Area. Exhibit B.) Project Phasing Plan. Exhibit C.) Preliminary Design Plan for SSR 401 Roadway Improvements to be conveyed to DOT. Exhibit D.) Preliminary Design Plan for Site Improvements to be transferred to CAA via Quit Claim Deed. Exhibit E.) Preliminary Design Plan for Site Improvements and Easements for Property to be transferred along the entire SSR 403 to CAA with required encumbrances.

RECOMMENDATION: Board approval for this MOU is recommended as the agreement is consistent with the Commissioner’s authority under CGS 13a-80 and CAA’s authority under CGS 15-120cc both of which are subject to SPRB approval.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #20-037 – Mr. Berger moved and Mr. Valengavich seconded a motion to approve PRB FILE #20-037. The motion passed unanimously.

PRB FILE #20-042 – Mr. Halpert moved and Mr. Berger seconded a motion to suspend PRB FILE #20-042. The motion passed unanimously.

PRB FILE #20-043 – Mr. Halpert moved and Mr. Berger seconded a motion to approve PRB FILE #20-043. The motion passed unanimously.

9. NEXT MEETING – Monday, March 30, 2020.

The meeting adjourned.

APPROVED: _____ **Date:** _____
John Valengavich, Secretary