

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On April 13, 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 April 13, 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. Berger seconded a motion to approve the minutes of the April 9, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED 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

April 2, 2020 Update

At its meeting held on March 26, 2020 the State Properties Review Board voted to suspend this item pending resolution 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?

DOT Response: I will defer to Outdoor Advertising whom is copied herewith to answer most of your questions. No one knew that the billboard was encroaching onto the State property. I spent endless hours trying to investigate this. The Outdoor Advertising company that erected the billboard is no longer the owner of the billboard. This was only brought to our attention when the purchase was requested. We would not enter into a lease for this with anyone, the Billboard would have to have been moved. By selling this property we figured this whole issue would be resolved, because it would no longer be State property, it is not Right of way, it is excess of transportation needs. We have encroachments on multiple properties we discover when we start the process of sale, we don't enter into leases at that time. We either ask that the encroachments are removed, or we resolve the issue when sold. We also don't collect back rent for encroachments. My understanding from my discussions is that this billboard would not be permitted, was erroneously erected here due to incorrect survey information of the billboard company.

- Was DOT party to the Grantee's local zoning approvals to erect the Billboards encroaching onto the State Release Parcel.
DOT Response: Yes, written approval from a local zoning/building official is required.
- In light of any potential liability issues, was the Grantee required to provide DOT a Certificate of Liability Insurance?
DOT Response: We do not require a certificate of liability insurance for billboard permits.
- Are private entities eligible to erect Billboards on state-owned land? Is that done by License/Lease Agreement for a negotiated fee/rental?
DOT Response: All billboard applicants must obtain written permission from the owner of the property on which the sign will be erected. The DOT does not permit billboards on excess DOT property or within the highway ROW.
- If a Billboard is erected on private property but encroaches into DOT air rights, does DOT require a License/Lease Agreement?
DOT Response: For all new permit applications an A-2 survey is required. If an encroachment is identified, a permit would not be issued.
- Understanding these Billboards date back to the 1980's, was an A-2 Survey Map required at that time to accompany the Permit Application as is required today?
DOT Response: I am not aware of the mapping requirements in the 1980's.
- Regarding #3 above, if a map was required and identified the encroachment on State land, did DOT regulations require a License/Lease Agreement?
DOT Response: If an encroachment was identified at the time, the permit would not have been approved.
- When DOT issued/issues permits was/is local zoning approval a prerequisite to obtaining a Billboard Permit?
DOT Response: Yes, written approval from a local zoning/building official is required.
- Is a Certificate of Liability Insurance available from the existing Billboard Permittee and is State insured?
DOT Response: We do not require a certificate of liability insurance for billboard permits.
- Based on your reading of the Lease provided by Attorney Phillips in 2018, does Third Generation Realty (Siegal) continue to receive rents? And if not, who is currently receiving the rents stated in the Lease?

DOT Response: None.

- Located in the Hartford Land Records is Survey #908 prepared in 1969. It identifies the land now owned by Ryder and it clearly identifies the State land along West Service Road. Was this Survey included in the original permitting?

DOT Response: This is unknown. Our records do not date back this far

Recommendation – Staff recommend approval of the proposed Sale by Sole Abutter Bid in the amount of \$230,000 for the following reasons:

- The proposed sale will resolve an error made in the early to mid-1980s that created an encroachment issue only identified during the preparation of the proposal to sell a remnant parcel of land.
- The proposed sale complies with Sections §3-14b, and §13a-80 of the CGS in that the City of Hartford declined to purchase pursuant to §3-14b(b) and the legislative delegation received the required notification on September 24, 2015.
- DOT signed the QC Deed on May 9, 2019, and OPM approved of the sale on March 2, 2020.
- The release value of \$230,000 is reasonable in that it represents 125% of the appraised value and it will return the property to the Hartford tax rolls and relieve the State of all future expenses.
- The description in the Quit Claim Deed is consistent with the compilation plan to be filed in the Hartford Land Records.

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 x 14.15 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:

- a. 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?
- b. If yes, please provide income generated from these agreements from advertiser/s. Should this income be included in appraising the value?
- c. Was DOT party to the Grantee’s local zoning approvals to erect the Billboards encroaching onto the State Release Parcel?
- d. 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.

- 4. REAL ESTATE – NEW BUSINESS
- 5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS
- 6. ARCHITECT-ENGINEER - NEW BUSINESS

PRB # 20-056
Origin/Client: DCS/CTMD
Transaction/Contract Type AE / CA Services Contract
Project Number: BI-Q-691
Contract: BI-Q-691-CA
Consultant: Newfield Construction Group, LLC
Property: Putnam, Pomfret St (376)
Project purpose: CTMD – CTARNG New Readiness Center
Item Purpose: New Consultant Contract

PROPOSED AMOUNT: \$743,541

The Connecticut Army National Guard's (CTARNG) Joint Forces Headquarters (JFHQ) in Hartford, is currently looking to design and construct a new National Guard Readiness Center of permanent construction at the state-owned John Dempsey Center campus in Putnam, CT. Comprehensive building design will also include all site utility services, information systems, fire detection and alarm systems, roads, walks, curbs, storm drainage, parking areas, and site improvements as well as interior design services. The selected Architect/Engineer (AE) will need to integrate the federal design program, and provide construction documents (drawings & specifications) and estimates for all phases of the work. Additionally, the AE will perform construction administration and observation services to ensure proper execution of the design. The AE will be required to meet the requirements set forth in the National Guard Bureau (NGB) Design Guides for Readiness Centers.

The AE will meet with stakeholders to flesh out the program requirements. They will develop a minimum of three conceptual options and facilitate a charrette-type presentation of the options. With stakeholder consensus, the AE will develop the selected plan into a final set of construction documents to be publicly bid through the State of Connecticut Department of Administrative Services, Construction Services Department. The AE will have a significant technical background in designing this type of facility including classrooms, offices, kitchen, systems furniture, auditorium, audio visual, electrical, and data/telecom and HVAC systems and will subcontract out for any work not readily available within his/her own staff.

The purpose of these Design Objectives are to outline the tasks for the AE to perform in the areas of programming, design documentation, estimating, and construction administration and observation.

The designer shall coordinate with the stakeholders throughout the project. The designer shall generate meeting minutes of all design meetings/reviews. Issues raised during design meetings/reviews shall be tracked until they are resolved. The AE will provide digitized products for all elements of the work in both native and pdf formats.

The overall construction and total project budget have been established at \$15,429,000 and \$20,512,000 respectively. This project is 100% Federally Funded in accordance with the Military Construction Cooperative Agreements (MCCA) between the State of Connecticut – Military Department and the Federal Government.

In February 2019 the Department of Construction Services (“DCS”) issued a Request for Qualifications for Construction Administrator (CA) Consultant Services related to the design-bid-build project - CTARNG New Readiness Center in Putnam. DCS elicited 10 responses to the advertisement of which all submittals were considered “responsive”. DCS then proceeded to review the submittals and after the completion of the internal review process, five firms were selected for short-listed interviews. These firms were as follows, A/Z Corporation, Arcadis, U.S., Inc., The Morganti Group, Inc., AI Engineers, Inc. and Newfield Construction Group, LLC. The State Selection Panel consisted of 5 members and interviewed each firm for evaluation purposes based upon an established weighted ranking system. At the conclusion of the process DCS identified Newfield Construction Group, LLC (“NCG”) as the most qualified firm.

This contract is for Construction Administrator (CA) Consultant Services for the design-bid-build project - CTARNG New Readiness Center in Putnam from preconstruction phase services, into bidding, through the completion of construction and subsequent project close-out. The overall compensation rate for this basic service is \$743,541.

DAS has confirmed that funding is in place at both the State and Federal levels.

NCG Basic Service Fee (#20-056)	CA Base Fees (\$)	Special Services	Total Fee	Construction Budget (\$)	% of Budget
End of Schematic Design Phase	\$25,060				
Design Development Phase	\$50,020				
Construction Document Phase	\$78,280				
Bidding and Review Phase	\$13,260				
Construction Administration Phase (365 days + 90 closeout)	\$576,921				
TOTAL BASIC SERVICE FEE (#20-056) (A)	\$743,541			\$15,429,000	4.82%

- The February 2019 RFQ elicited 10 responses. The Selection Panel interviewed five of the 10 firms and ultimately recommended the appointment of Newfield Construction Group, LLC (NCG). The selection was approved by Deputy Commissioner Petra on 6/5/19.
- NCG is located in Hartford. This firm was established in 1979 and has 42 employees which includes two civil engineers, two cost estimators and 32 construction managers. A professional license is not required for CA services.
- People’s United Insurance Agency reported no general liability or professional liability claims over the past five years.
- The submittal is accompanied by a Consulting Agreement Affidavit notarized on 6/10/19.
- DCS reports Newfield Construction Group, LLC was awarded two contracts in the past five years totaling \$3,523,757.

Staff asked DCS to clarify the following:

1. What is the status of the A/E consultant contract for this project? Which phase is completed and when? Which phase is ongoing?
2. Define the “End of the Schematic Design Phase” term. Is this a new term going forward for consultant contracts? How does the total fee reconcile with the fee matrix submitted by Newfield?
3. Pl provide copy of the Sept. 6, 2019 proposal from Newfield. What changed between Sept. 6, 2019 and March 16, 2020 proposal?
4. What is the reason to have project engineer present just for the first 4 months of the construction?
5. For what reason/s scheduler will spend more hours during 3rd and 4th month compared to other months?
6. What is the purpose of 8.5% multiplier?
7. Shouldn’t the general conditions be included in the hourly rates?

RECOMMENDATION: Staff recommends suspension of this consultant contract in the amount of \$743,541 pending clarification of issues raised by the Board.

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

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

PRB FILE #20-056 – Mr. Berger moved and Mr. Halpert seconded a motion to suspend PRB FILE #20-056. The motion passed unanimously.

9. **NEXT MEETING** – Thursday, April 16, 2020.

The meeting adjourned.

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