

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On May 4, 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 May 4, 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 30, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:41. The motion passed unanimously.

EXECUTIVE SESSION

For discussion purposes only

PRB #	19-193-A	Transaction/Contract Type: AG/PDR
Origin/Client:	DoAG/DoAG	

Statutory Disclosure Exemptions: 1-200(6) & 1-210(b)(7)

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 10:46. The motion passed unanimously.

OPEN SESSION

4. REAL ESTATE – NEW BUSINESS

PRB # 20-063
Transaction/Contract Type: RE/ Administrative Settlement
Origin/Client: DOT/DOT
Project Number: 302-024-001
Grantor: 1 & 25 Pimpewaug Road, LLC
Property: Wilton, Pimpewaug Road (1 & 25)
Project Purpose: Slope Abutting MNR Danbury Branch & Bridge 05260
Item Purpose: Administrative Settlement

DAMAGES: \$31,300.00

DOT PROJECT:

The project will be constructed from both the top of the slope on the subject property and below on the MNR rail line, which will require scheduled outages. The intent of the project is to create a 2:1 slope to minimize the washouts that are currently occurring from the subject property above. Erosion matting will be installed to minimize the potential of railway interruptions due to debris falling on to the tracks below. The proposed slope area encompasses multiple arborvitae trees and numerous jersey barriers which will be removed permanently from the property by the awarded contractor. Access to the property will be temporarily limited to the southern exit on the property during construction.

Subject Property Description, Before the Taking: The subject property (per appraisal) consists of two contiguous, residentially-zoned, parcels of land totaling 77,841 square feet (1.787 acre), with frontage on both Pimpewaug Road and Danbury Road (RT 7), improved with multiple buildings and utilized as a saw mill and aggregate storage of materials. The property is located in a residential zone and is a grandfathered use (non-conforming regarding use requirements). The highest and best use is for continued commercial use as improved.



Before Valuation: An appraisal was prepared by independent appraiser Barbara Pape as of December 30, 2019.

Land Valuation: Based on the sales data comparison approach, the appraiser analyzed five sales of commercially-zoned and residentially-zoned land in Wilton, all with similar highest and best use as vacant and concluded that the fair market value of the subject land was \$6.70/square foot, or

Item	Calculation	Value
Fee Simple	77,841 sf x \$6.70/sf	\$521,535
	<i>Rounded</i>	\$521,500

Cost Approach: Appraiser Pape then utilized published cost manuals to develop a cost approach.

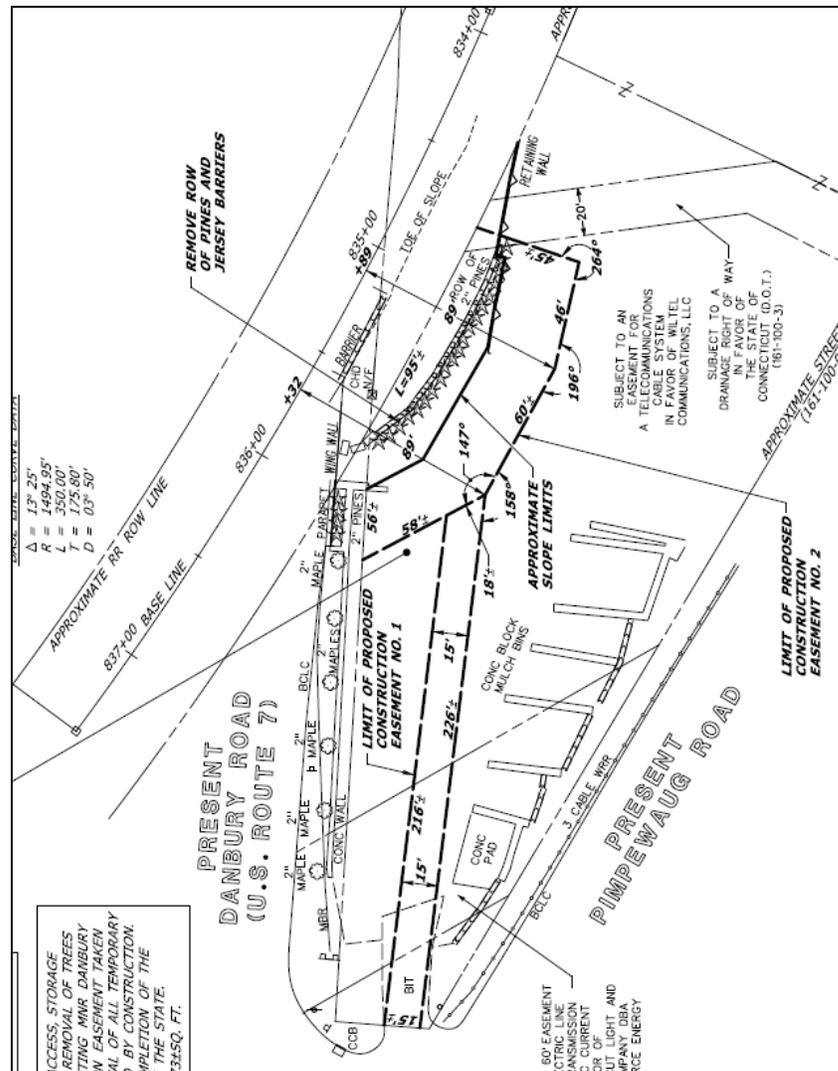
Cost New				
Component		Area/SF	Unit Price	Line Cost
1 Pimpewaug		500 SF x	\$40.00 =	\$20,000
25 Pimpewaug		1,284 SF x	\$68.00 =	\$87,312
Saw Mill		1,925 SF x	\$25.00 =	\$48,125
Sheds	(5 Blds.)	1,247 SF x	\$17.00 =	\$21,199
Lean-to's	(2 Blds.)	1,570 SF x	\$12.00 =	\$18,840
				\$195,476
		Multipliers:	Wall Height	0.9630
			Area/Perimeter	1.0440
			Local	1.0900
			Current	1.0700
Subtotal				\$229,208
Site Costs				
Pavement	Est.	1,200 SF x	\$3.75 =	\$4,500
Concrete Pads		250 SF x	\$3.50 =	\$875
Landscaping, Utility connections				\$20,000
Hoop				\$10,000
Fencing	Est.			\$2,500
Jersey Barriers	Est.			\$30,000
Arborvitaes		25	\$720	\$18,000
Subtotal:				\$85,875
Multipliers:		Current	1.0700	
		Local	1.0900	\$100,156
Total Costs New:				\$329,364
CM/GM Fees		4.00%		\$13,175
Contingency		5.00%		\$16,468
Entrepreneurial Profit		10.00%		\$32,936
				\$391,944
Depreciation	Cost New	Depreciation %	Eff. Age/Life	
Buildings	\$229,208 X	-57.55% =		(\$131,915)
Site	\$100,156 X	-30.00% =		(\$30,047)
				(\$161,962)
Depreciated Costs:				\$229,982
Total Hard & Soft Depreciated Costs				\$229,982
Land				\$521,500
Value Indicated By Cost Approach:				\$751,482
Value Indicated By Cost Approach, Rounded:				\$750,000

Reconciliation & Value Conclusion

Cost Approach..	\$750,000
Underlying Land Value/Sales Comparison Approach	\$521,500
Income Capitalization Approach	N/A
Before Value Estimate	\$750,000

The Taking: DOT will acquire the following:

1. An easement to slope for the safety of the railroad and remove, use or retain excavated material acquired over an area of 2,540±sq.ft.;
2. A construction easement (#1) for access during repair of slope abutting MNR Danbury Branch and Bridge 05260 limited to travel only, acquired over an area of 3,310±sq.ft.; and
3. A construction easement (#2) for the purpose of access, storage of construction equipment and materials and removal of trees and Jersey Barrier, acquired over an area of 4,173±sq.ft.



After Valuation:

Land Valuation: Based on the sales data comparison approach, the appraiser analyzed the same five sales of land in the Before and concluded that the fair market value of the subject land was unchanged at \$6.70/square foot, or

Item	Calculation	Value
Fee Simple	75,301 sf x \$6.70/sf	\$504,517
Slope Easement	2,540 sf x \$6.70/sf x 75%	\$4,255
	Total	\$508,772
	Rounded	\$508,500

Cost Approach:

Cost New				
Component		Area/SF	Unit Price	Line Cost
1 Pimpewaug		500 SF x	\$40.00 =	\$20,000
25 Pimpewaug		1,284 SF x	\$68.00 =	\$87,312
Saw Mill		1,925 SF x	\$25.00 =	\$48,125
Sheds	(5 Blds.)	1,247 SF x	\$17.00 =	\$21,199
Lean-to's	(2 Blds.)	1,570 SF x	\$12.00 =	\$18,840
				\$195,476
		Multipliers:	Wall Height	0.9630
			Area/Perimeter	1.0440
			Local	1.0900
			Current	1.0700
Subtotal				\$229,208
Site Costs				
Pavement	Est.	1,200 SF x	\$3.75 =	\$4,500
Concrete Pads		250 SF x	\$3.50 =	\$875
Landscaping, Utility connections				\$20,000
Hoop				\$10,000
Fencing	Est.			\$2,500
Jersey Barriers	Est.			\$29,000
Arborvitaes		4	\$720	\$2,880
Subtotal:				\$69,755
Multipliers:		Current	1.0700	
		Local	1.0900	\$81,355
Total Costs New:				\$310,563
CM/GM Fees		4.00%		\$12,423
Contingency		5.00%		\$15,528
Entrepreneurial Profit		10.00%		\$31,056
				\$369,570
Depreciation	Cost New	Depreciation %	Eff. Age/Life	
Buildings	\$229,208 X	57.55% =		(\$131,915)
Site	\$81,355 X	30.00% =		(\$24,407)
				(\$156,322)
Depreciated Costs:				\$213,248
Total Hard & Soft Depreciated Costs				\$213,248
Land				\$508,500
Value Indicated By Cost Approach:				\$721,740
Value Indicated By Cost Approach, Rounded:				\$722,000

Reconciliation & Value Conclusion

Cost Approach	\$750,000
Underlying Land Value/Sales Comparison Approach	\$508,500
Income capitalization approach	N/A
After Value Estimate	\$722,000

Calculation of Permanent Damages

Item	Value
Before Valuation	\$750,000
After Valuation	\$722,000
Permanent Damages	\$28,000

Calculation of Temporary Damages

Easement Use	Area/SF	Rate	Value	Rate/ Return	Annual Rate	1-2 wks/1 Mo.		Rounded
						Period/30 Days	Result	
Temp. Work #1	3,310 x	\$6.70 =	\$22,177 x	7.00% =	\$1,552 x	8.22% =	\$128	\$100
Temp. Work #2	4,173 x	\$6.70 =	\$27,959 x	7.00% =	\$1,957 x	8.22% =	\$161	\$200
								\$300

Total damages are then Permanent Damages plus Temporary Damages, \$28,000 + \$300 = \$28,300.

From the Administrative Settlement narrative.

The Department's offer letter in the amount of \$28,300.00 was tendered on February 27, 2020 to the principle owner Mr. Steve Vasale rejected the Department's offer and opined \$34,400.00 in damages based on a \$7.00 a square foot unit value, given his purchase price in April 2018. He maintained that the construction easements will prohibit the proper flow of traffic and impact the maneuverability of his equipment and machinery. Mr. Vasale felt that construction vehicles entering into the posted exit during construction will create a hazard to his customers who frequently patronize his business, and he questioned the one month duration used to value the construction easement, given the nature of the project. He also claimed that the slope easement would essentially take away useable land and substantially reduce the value of his property, as he uses the area to park his landscape vehicles and equipment. Lastly, he felt the \$100.00 contributory value attributed toward the 15 to 20 Jersey Barriers was not compensatory.

Continued negotiations concluded with a compromise in the amount of \$31,300.00 as full and final payment for the property rights being sought, and all damages resulting from the project. The increased amount of \$3,000.00 is considered fair and reasonable given the direct and indirect damages to the subject property.

It is submitted that this Administrative Settlement in the amount of \$31,300.00 represents just compensation for the real property rights to be acquired. It will preclude the costs associated with the litigation process and the possibility of an unfavorable judgement related to the possible severance for loss of parking.

RECOMMENDATION: Board approval of damages in the amount of \$31,300 is recommended 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 damages are supported by the independent Appraisers estimate of value.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILES #20-063 – Mr. Halpert moved and Mr. Berger seconded a motion to approve PRB FILE #20-063. The motion passed unanimously.

9. NEXT MEETING – Thursday, May 7, 2020.

The meeting adjourned.

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