

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On September 10, 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 September 10, 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 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 September 8, 2020 and September 9, 2020 Meetings. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #	20-168
Transaction/Contract Type:	RE – Lease
Origin/Client:	DOT/DOT
Project Number:	118-033-066-001B
Lessee:	Gilbert Farm, LLC
Property:	Rocky Hill, Silo Dr @ I-91
Project Purpose:	Gilbert Farm Land Lease
Item Purpose:	5-Year Lease

Lease Price: Initial \$85/month – May to October

The terms of the lease are as follows:

Lessee	Gilbert Farm, LLC
Premises	3.67 acres
Use	Restricted to use for farming (Section 4 of Lease Out)
Term	Five years commencing upon AG approval, two (2), five-year options to extend
Termination	Either party can terminate with 30 days' notice, with or without cause
Rent	\$85/month, increasing annually \$2/month.
Utilities, costs	All by tenant, if available (no electric, gas, sewer or water currently at site)
Other	Lease includes specifications as contained in "Standard Highway Lease Specifications & Covenants: Non-Governmental Under \$50,000" dated 4/1/2019, which are attached to the lease. The specifications include insurance and indemnification requirements.

DOT Rental Analysis:

The following pertains to the rental area and the abutter:

Zoning: R-20 – Residential
 Site Size: 3.67 ± Acres (159,865± s.f.)
 Present Use: Open space & farming
 Neighborhood: Residential

Rental Range Estimate: Market research shows that properties of similar size, utility and zone, in the same or a similar market area as the subject property, range in value from \$0.06/s.f. to \$0.16/s.f.; considering the proposed use and available access to the Premises, a lower than normal opportunity percentage rate is being applied to the following calculation to arrive at a rental rate:

Amount of Rental: 159,865± s.f. x \$0.06/s.f. x 6% = \$ 575.51/year or \$ 47.96/month
 159,865± s.f. x \$0.16/s.f. x 6% = \$1,534.70/year or \$127.89/month

- Note:** The Department of Agriculture states that "Type A" tillable soil, which is similar to the Premises has a market value of approximately \$1,960/acre:
 3.67± acres x \$1,960.00/acre x 8% = \$575.46/year or \$50.00/month

DOT also provided four sales of land with limited utility selling in the range of \$2,769/ac to \$6,890/acre.

\$/acre	Acres	MV	Rental	Annual	Monthly
\$2,769	3.67	\$10,162	6.00%	\$610	\$50.8
\$6,890	3.67	\$25,286	6.00%	\$1,517	\$126.4
\$2,769	3.67	\$10,162	8.00%	\$813	\$67.7
\$6,890	3.67	\$25,286	8.00%	\$2,023	\$168.6

Based on the analysis of the sales and rental returns, the proposed \$85/month rental appears reasonable. The Lessee executed the Lease on March 12, 2020. The Lessor executed the Lease on June 4, 2020. OPM approved the Lease agreement on July 1, 2020.

Staff inquired with DOT regarding the following:

- Who is farming currently at this location? If none, is this open space? What is the current use?
DOT Response: Gilbert Farms is using the land and we have been chasing after her for over 3 years.
- Why lease out and not sale?
DOT Response: This is only available for sale as an abutter bid, there is no access, we have a right of way thru Eversource property, that is why we can't sell, and she is not an abutter.
- What is the process to determine how the Lessee complies with the conditions of Section 8 of the Lease? Will the lessee be required to conduct environmental assessment? How will DOT know that the lessee met the conditions of Sec. 8?

DOT Response: I do not know how to answer #3, however Lisa Gilbert stated that she does practice safe farming, and bad news is the father has been using this land for 50 years unbeknownst to the Department, so damage may already have been done.

4. Has there been an environmental assessment done?

DOT Response: No we have not done an environmental assessment.

5. Was this done via advertisement or did Gilbert Farm approach DOT?

DOT Response: This came about because CTDOT needed a lay down area for the Bridge job over I-91, and asked about land over there, my staff did a site inspection and noticed the farm. She has a lease with Eversource, so she claims, and they are abutting, and claims she did not know it wasn't all Eversource land.

6. Any concerns from the neighbors because of the farm equipment usage, dust, noise, etc.?

DOT Response: She says they have been out there for 50 years....so I don't think the neighbors have a problem. It should be noted, I approached Dept of Agriculture and they said they would take the property and put it out to bid to open it up to several farmers via bid process.

RECOMMENDATION: Board approval of the lease-out agreement to Gilbert Farm, LLC is recommended for the following reasons:

- The commissioner of transportation has the authority under CGS §13a-80 to enter into lease agreements, subject to the approval of OPM (received 7/01/2020), the SPRB & the AG.
- This is a 3.67 acre lot limited to farming and no other use.
- The Lessee pays \$85/month, May to October, with the rent increasing \$2/month during each successive year. The term of the lease is for 5 years, commencing upon approval of the AG. The lease includes two (2) additional five-year options, subject to a review and update of the rental fee. The State reserves the right to terminate the lease with 30 days' notice.

PRB #	20-169
Transaction/Contract Type:	RE – Town Road Release
Origin/Client:	DOT/DOT
Project Number:	92-110-118E
Lessee:	City of New Haven
Property:	New Haven, State Street
Project Purpose:	Release for Highway Purposes
Item Purpose:	QC Deed

CONVEYANCE FEE: \$0

The Division of Rights of Way was contacted by the abutting property owner to purchase the subject property. While researching the subject parcel, a notation on a map in File 92-110-118B (copy attached) states that this strip should be released to the Town of New Haven. The Town Road Release was never initiated. This was an older acquisition with no formal agreement to release the land to the City.

The Quit-Claim deed releases a portion of land acquired in the following instruments:

- Warranty Deed from Textron Electronics, Inc. (2142/287), dated April 19, 1962; and
- Certificate of Condemnation from Eastern Elevator Company, Inc. (2142/287), dated March 26, 1962.

Neither acquisition was subject to Board review and approval.

RECOMMENDATION: Staff recommend **approval** of this Quit Claim Deed to assign the land acquired by the State to the City of New Haven for Highway Purposes is recommended for the following reasons:

1. The conveyance complies with Section 13a-80 of the CGS governing the release of excess property and easements by the commissioner of transportation.



5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #20-168 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #20-168. The motion failed with all Members voting against. The motion failed for the following reasons:

- Equitable process – as your staff indicated, DOT should work with the Department of Agriculture and put it out to bid to open it up to other farmers via bid process.
- Determine appropriate rental rate per month for the entire year

PRB FILE #20-169 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #20-169. The motion passed unanimously.

9. NEXT MEETING – Monday, September 14, 2020

The meeting adjourned.

APPROVED: _____ **Date:** _____

John Valengavich, Secretary