

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On March 4, 2021 – 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 4, 2021 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

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 March 1, 2021 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Mr. Berger provided Board Members with an update on his ongoing conversations and review about certain proposed legislation that affects the State Properties Review Board, including a summary of his testimony before the Legislature's Transportation Committee Public Hearing held on March 3, 2021, beginning at 11AM.

3. REAL ESTATE- UNFINISHED BUSINESS

PRB #	20-226
Transaction/Contract Type:	RE – Sale by Sole Abutter Bid
Origin/Client:	DOT/DOT
Project #:	75-000-43J
Grantee:	The Crossings, LLC
Property:	Madison, Boston Post Rd (7,469 sf land)
Project Purpose:	Sale by Sole Abutter Bid
Item Purpose:	Quit Claim Deed

Sale Price: \$65,000

At its meeting held on December 28, 2020 the State Properties Review Board voted to suspend this item pending clarification of the following issues:

- Did the Lessee (The Crossings, LLC), extend their 2009 Lease under 75-000-43J? What is the rental payment? Are they current in their rental payments? And, will the Lease for the Release Parcel (75-000-43J) automatically terminate upon the Conveyance?

DOT Response: In 2013, Mr. Dowler exercised his first option to extend the lease. In 2018, Mr. Dowler expressed his dissatisfaction with the lease renewal terms for the second option. In August 2019, the Department terminated the lease agreement for non-payment leaving a balance of \$3,675.00 which has been sent to collection. The Department made a business decision to sell the property to reduce the Department's liability of Mr. Dowler's use of the area without insurance and rental fees.

Staff Response: Dowler objected to the proposed rental for the 2nd Amendment. What was the proposed rental?

DOT Response: For the second and final term of 1/1/2019-12/31/2023, rent was to increase to \$680.00, which Mr. Dowler stated that he was not agreeable to. Mr. Dowler simply stopped paying any rent to the DOT stating that he had advised his tenants to no longer utilize the parking in the area. The Department then officially terminated the lease due to noncompliance with the lease terms which left a balance of \$3,675.00.

Staff Response: OK

- How can DOT continue to permit Dowler to utilize the DOT land/parking when he was in arrears in the amount of \$3,675? And, why did DOT permit Dowler to continue to utilize the DOT land/parking after August 2019 without the benefit of a Lease, or payment? If this were a DOT acquisition from Dowler, DOT would be required to fully compensate Dowler. Why is DOT not entitled to full compensation from Dowler?

DOT Response: The Department did not permit him to use the area, it cancelled the lease as he was not in compliance with the lease terms. Unfortunately, the Department does not have the resources to police the area daily or to block off an area preventing use. The Department had to balance many factors in negotiating this sale. The Department made a business decision to sell the property to reduce its liability. There are simply no resources that can be allocated to dig up this area and place grass to prevent the use of the area. It is also a liability to the Department to have an encroachment with no liability insurance associated with the use, nor can it compel someone to enter into a lease agreement. This also had to be balanced with being business friendly.

Staff Response: OK

- What is the likelihood of DOT's success in collecting the \$3,675 in back rent?

DOT Response: We have had success in the past with collecting back rent, however, the final decision does not rest with the Department it gets referred to the OAG for collections.

Staff Response: OK

- Why was the issue of the rent/back rent not addressed during the January 30, 2020 negotiation?

DOT Response: Again, this was part of the larger business decision mentioned previously.

Staff Response: OK

- You stated The Lessee (The Crossings, LLC), has a Lease for the 12 parking spaces. When does this Lease expire and are they current in their rental payments? What is the Lease payment/month?

DOT Response: This lease expires on October 15, 2025 and they will have the standard 2 renewal options subject to a market review of the rent at 5 year increments and they have paid the first years rent in advance .The rent is as follows:

Year 1: One Hundred Ten Dollars (\$110.00),per month

Year 2: One Hundred Thirteen Dollars (\$113.00),per month

Year 3: One Hundred Sixteen Dollars (\$116.00),per month

Year 4: One Hundred Nineteen Dollars (\$119.00),per month

Year 5: One Hundred Twenty-One Dollars (\$121.00),per month

This is based upon $2011SF \times \$8.25/SF \times 8\%$ divided by 12 months with a 3% increase per year
Staff Response: OK

Recommendation – Staff recommendation contingent upon Board review of the DOT responses to inquiries raised during the review of the proposed Sale by Sole Abutter Bid in the amount of \$65,000 for the following reasons:

- The proposed sale complies with Sections §3-14b, and §13a-80 of the CGS in that the Town of Madison declined to purchase pursuant to §3-14b and the legislative delegation received the required notification on February 27, 2020.
- The release value of \$65,000 is reasonable in that it represents 87% of the appraised value and it will return the property to the Madison 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 Madison Land Records.

Sale Price: \$65,000

Project Background

In 2007, the subject property was transferred to the Town of Madison for a proposed relocation of a town road. The project never occurred and the property was transferred back to DOT in 2011.

At the August 10, 2009 SPRB Meeting, under PRB #09-169, the SPRB approved a new Lease for the The Crossings, LLC to continue use and occupy 7,857 square feet of land adjacent to 170 Boston Post Road in Madison, CT.

The term of this Lease Agreement was for 5 years commencing on January 1, 2009 through December 31, 2013 at a monthly rent of \$525.00. A \$10.00 per sq. ft. value was established by an appraisal conducted by Anthony John DeLucco on May 7, 2008 ($7,857 \text{ sq. ft.} \times \$10.00 \text{ per sq. ft.} = \$78,570$ fee value $\times 0.08$ rate of return = \$6,285.60 annual rental value divided by 12 months = \$523.80 rate per month, rounded to \$525.00. The Agreement included two, 5-yr. renewal periods subject to review and update of the rental fee. The Agreement included a termination clause by either party with 30-days' notice.

Under this Proposal (PRB #20-226) DOT is now seeking SPRB approval to this Sale by Sole Abutter Bid to release this irregularly-shaped, 7,857± square foot parcel of land, located on the southwesterly side of Boston Post Rd (Rt 1), bordered by both Garnet Park Road and Nathans Lane, in the Town of Madison. This release was initiated at the request of the Grantee after negotiations to renew the Lease were unsuccessful.



The sole abutter located at 170 Boston Post Road (Route 1) is comprised of a 0.74 acre (32,023 sf) commercially-zoned site fronting Boston Post Rd (non-access), Garnet Park Road and Nathans Lane.

The site is improved with a one-story office building containing 9,285 square feet of gross building area, constructed in 1950. The property is non-conforming regarding site requirements (parking and impervious coverage ratio).



Valuation – With the release of this parcel via a Sale by Sole Abutter Bid, DOT Appraiser John P. Kerr appraised the property, as of February 5, 2019, 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 comparison approach, the Appraiser utilized three sales of commercially-zoned land in Madison and Old Saybrook (2) and concluded the fair market value of the Larger Parcel was $\$9.50/\text{sf} \times 32,023 \text{ sf} = \$304,219$, rounded to \$304,000.

Note: The Madison Assessor valued the land (100%) at \$356,800, or \$11.14/sq.ft. for the October 1, 2018 Grand List (revaluation).

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the subject property was $\$9.50/\text{sf} \times 39,880 \text{ sf} = \$378,860$, rounded to \$379,000.

Value of the Release

After Valuation	\$379,000
Before Valuation	\$304,000
Value of Release	\$75,000

Sale by Sole Abutter Bid & Negotiations – The sales price of \$86,000.00, which included an administrative fee, was presented to Mr. Dowler on February 27, 2019. Mr. Dowler, who resides in Florida, requested a meeting but would not be back in Connecticut until April, 2019. On April 9, 2019, Mr. Dowler and his son, Christopher Dowler, met with members of Appraisals/Property Management staff and offered to pay \$22,000.00 for the subject property. This offer was not accepted, as it was not within a reasonable range of the appraised value. Mr. Dowler stated that he would be obtaining his own appraisal. On August 28, 2019, Mr. Dowler submitted a list of what he felt were comparable sales and not a full appraisal report, as previously discussed, nor was a counteroffer presented. Mr. Dowler was contacted by Property Management staff, whom explained that a counteroffer was required to proceed. Subsequently, Mr. Dowler sent written correspondence to the Commissioner of Transportation in September, 2019, asking to speak with someone with authority in real estate transactions. After Mr. Dowler was contacted to discuss his concerns, he agreed to obtain a full appraisal report, which he would submit to the Department and asked that a meeting be scheduled for January, 2020, at which time he would be returning to Connecticut and which would allow ample time for him to obtain his own appraisal.

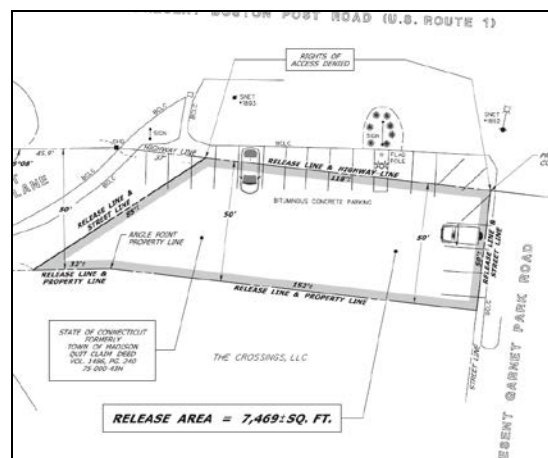
A meeting was scheduled for January 30, 2020. On January 28, 2020, Mr. Howard Russ, Certified General Appraiser, commissioned by Mr. Dowler, submitted his appraisal report electronically, which valued the subject property at \$45,000.00. The appraisal report was reviewed by staff appraisers and Property Management staff prior to the scheduled meeting. After extensive negotiations with Mr. Dowler, he agreed to pay \$65,000.00 for the subject State property, which is eighty seven percent (87%) of the appraised value.

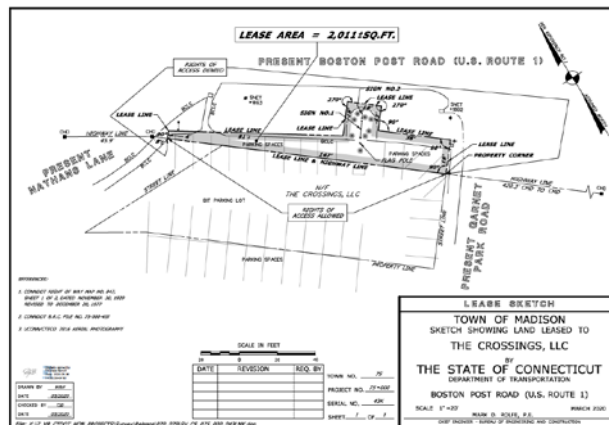
Staff inquired with DOT for clarification of the following issues:

- Please provide an electronic copy of the Russ Appraisal obtained by the Petitioner.
DOT Response: Attached please find the appraisal completed by Howard Russ for the Madison release.
Staff Response: OK
- The DOT appraisal was based on the Release Parcel being 7,857 square feet, indicating a value of the Release Parcel being \$75,000. The QC Deed and Release Map state the Release Parcel is 7,469. Please clarify what led to the change in size (-388 sf) to the Release Parcel.
DOT Response: With respect to the release parcel size; the appraisals contain the original maps drawn when The Crossings, LLC leased both the frontage along Route 1 and what has now become this release parcel. Since the completion of the appraisals, we have had the maps updated. The footprint of the lease area along Route 1 changed slightly (area remains at 2,011 SF.). As a result of the footprint of the lease area for 75-000-43K changing, the area of the release parcel for 75-000-43J was reduced by 388 SF. , from 7,857± SF to 7,469± SF The old and revised maps are attached for your review.
Staff Response: OK
- Please clarify why the Release Parcel does not include portions of those 12 parking spaces and site improvements that appear to encroach into the State Right of Way. And, is there a separate Agreement between the Petitioner and DOT for continued use of land within the State Right of Way?
DOT Response: The front parking spaces and business are currently leased to The Crossings, LLC in DOT file 75-000-43K. The lease map is attached for your reference.
Staff Response: PRB #09-169 included a second, 2,011 sf parcel, that is still leased by DOT to the Lessee (The Crossings, LLC). OK

Recommendation – Staff recommend approval of the proposed Sale by Sole Abutter Bid in the amount of \$65,000 for the following reasons:

- The proposed sale complies with Sections §3-14b, and §13a-80 of the CGS in that the Town of Madison declined to purchase pursuant to §3-14b and the legislative delegation received the required notification on February 27, 2020.
- The release value of \$65,000 is reasonable in that it represents 87% of the appraised value and it will return the property to the Madison 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 Madison Land Records.





DATE: August 5, 2009

SUBJECT: PRB# 09-169 DOT Lease Agreement for 7,857 SF of vacant land, to be used for parking. Location: Southerly side of Route 1, at Garnet Park Road, Madison. Second Party: The Crossings LLC, by Robert E. Dowler, Sole Member

Recommendation: On the basis of a rental justification prepared by the DOT Appraisal Division, it is recommended that the subject lease proposal be approved. DOT's statutory authority is CGS Section 13a-80.

Under the terms of the lease, the Second Party will pay a \$525 monthly (\$6,300 annually) for a five-year term to use and maintain 7,857 SF for motor vehicle parking. The lease commences (retro-actively) January 1, 2009, and can be renewed for two additional five-year terms.

The Second Party has been using these premises and an additional 2,011 SF within the State's right of way for parking. DOT has executed two lease agreements, one for each parcel. The leased area that is outside of the right of way requires Board approval.

VALUATION

The rental rate is based upon an 8% annual rate of return on the land value, estimated to be \$10.00/SF.

$7,857 \text{ SF} \times \$10/\text{SF} \times .08 = \$6,285.50$ annual rental value / 12 months = \$525/month (rounded)

$2,011 \text{ SF} \times \$10/\text{SF} \times .08 = \$1,608.08$ annual rental value / 12 months = \$135/month (rounded)

ADDITIONAL COMMENTS

- Access to Route 1 is denied.
- The agreement can be terminated at any time by either party with 30 days notice.
- No improvements can be made without a DOT permit.
- The lease is subject to DOT's Standard Highway Lease Specifications & Covenants.
- The sole member has provided certification of non-discrimination policies as required for all state contracts.
- An insurance certificate is providing, naming the State as additional insured, verifying the Second Party holds \$1,000,000/occurrence in commercial general liability insurance coverage current through 2/1/2010.



4. REAL ESTATE – NEW BUSINESS

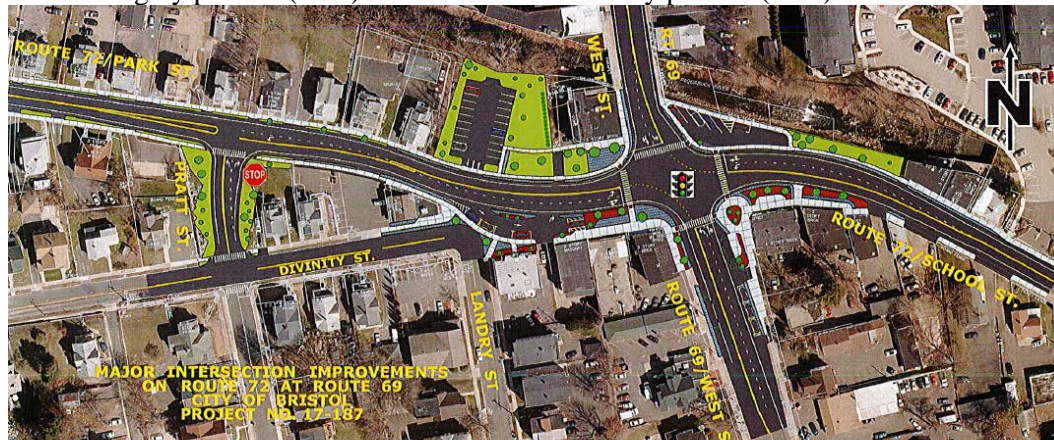
PRB # 21-009
Transaction/Contract Type: RE – Voucher
Origin/Client: DOT/DOT
Project #: 017-187-003
Grantor: Anthony Cammariere
Property: Bristol, Park St (12)
Project Purpose: Major Intersection Improvements on Route 72 at Route 69
Item Purpose: Voucher for Total Take

DAMAGES: \$185,000

DOT PROJECT: The purpose of the project is to reduce congestion, address traffic operational inefficiencies and improve safety for vehicles, pedestrians and bicyclists.

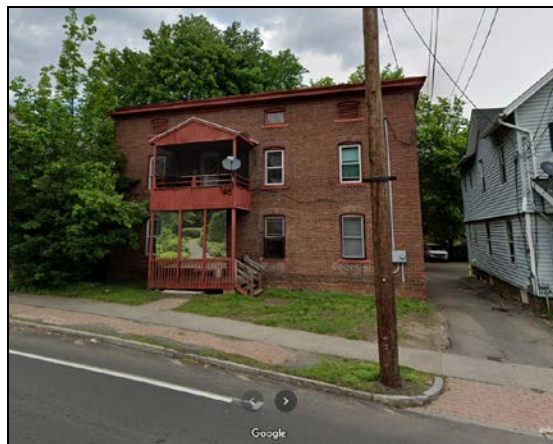
The configuration of the intersection of Route 72 and Route 69 will be improved by realigning Route 72 to the north which will soften curvature along Route 72 and allow geometric improvements to the intersection. Dedicated left-turn lanes will be added to both approaches of Route 72. The existing dedicated left-turn lanes on the approaches of Route 69 will remain, but will be realigned so the movements do not overlap. The new geometry of the Route 72/69 intersection will allow for tractor trailers to make all turns. The existing Divinity Street/Route 72 intersection will be eliminated; Divinity Street will be shortened to terminate at its intersection with Landry Street. A new “T” type intersection will be formed by extending Pratt Street north to Route 72. The Pratt street leg will be stop-sign controlled and a left-turn lane will be provided on Route 72 to accommodate vehicles turning left onto Pratt Street. Sidewalk and crosswalk enhancements will be included to provide pedestrian connectivity throughout the project limits. Four-foot-wide shoulders will be provided throughout the project limits to improve bicycle safety. The proposed realignment of Route 72 will result in the reduction of parking spaces in the existing parking lot located at the northeast corner of the intersection of Route 69 and 72. To compensate for the reduction in parking, and to meet the needs of the community, reasonable efforts to provide additional parking within the project limits will be included. Details and locations for the new parking is being coordinated with City of Bristol officials. There are right-of-way impacts associated with the proposed improvements: five total-property acquisitions and seven sliver acquisitions are expected.

Construction is anticipated to begin in summer 2022 based on the availability of funding. The estimated construction cost for this project is approximately \$6.0 million. This project is anticipated to be undertaken with eighty percent (80%) federal funds and twenty percent (20%) state funds.



SITE & TAKING DESCRIPTION: The subject property consists of a rectangular-shaped 8,276± square foot (0.19± acre) parcel of land with 50± frontage on the north side of Park Street (Route 72). The site is generally level with road grade. The site is improved with a two-family dwelling containing 2,268 square feet of gross living area, constructed in 1913. The property is zoned for single-family and multi-unit residential development via the R-15/RM zone.

The Appraiser opines the highest and best use of the site is for continued residential use, as improved.



VALUATION: The DOT appraisal was completed November 10, 2020 by DOT Staff Appraiser Matthew Malia.

Land Valuation: Based on the sales comparison approach (retained in the Appraiser's Work File), the appraiser concluded that the fair market value of the subject land was \$18,000, or \$2.17/square foot.

The town assessment records indicate the value of the land is \$17,380 (100% value) based on a 2017 town-wide revaluation.

Building Valuation:

Sales Comparison Approach: The appraiser analyzed four sales and one listing of two-family dwellings all in the immediate vicinity in Bristol and concluded that the fair market value of the subject property was \$185,000, or \$92,500/unit.

Income Capitalization Approach: The Appraiser reported the first floor was rented for \$900/month and the second floor was rented for \$1,000/month, both on monthly tenancies. The Appraiser then estimated market rent for both units at \$1,100/month.

The Appraiser provided support for a Gross Rent Multiplier (GRM) in concluding his opinion of value utilizing a GRM of 85 x \$2,200/month = \$187,000.

Income Approach Gross Rent Multiplier Sales

The subject property's two units are currently rented month to month to their respective tenants. According to the property owner, the first floor tenant pays \$900 per month while the second floor tenant pays \$1,000 per month. The estimated market rent is \$1,100 for each unit.

The following sales' rental data was made available to the appraiser as of the effective date of this appraisal.

116 Divinity Street: Three-family home with two-bedroom units. Sale Price: \$225,000 on 8/27/2020. Monthly Rent: \$2,850. GRM: 78.95

174 Divinity Street: Two-family home with two- and three-bedroom units. Sale Price: \$207,000 on 12/8/2020. Monthly Rent: \$2,300. GRM: 90.00

189 Divinity Street: Three-family home with eight bedrooms. Sale Price: \$260,000 on 9/22/2020. Monthly Rent: \$2,875. GRM: 90.43

87 Jacobs Street: Three-family home with two-bedroom units. Sale Price: \$250,000 on 5/6/2020. Monthly Rent: \$2,650. GRM: 94.34

322 Park Street: Five-family home with 13 bedrooms. Sale Price: \$235,000 on 3/6/2020. Monthly Rent: \$3,325. GRM: 70.68

204 Park Street: Two-family home with two- and four-bedroom units. Sale Price: \$225,000 on 9/11/2020. Month Rent: \$2,700. GRM: 83.33

Reconciliation and Value Conclusion

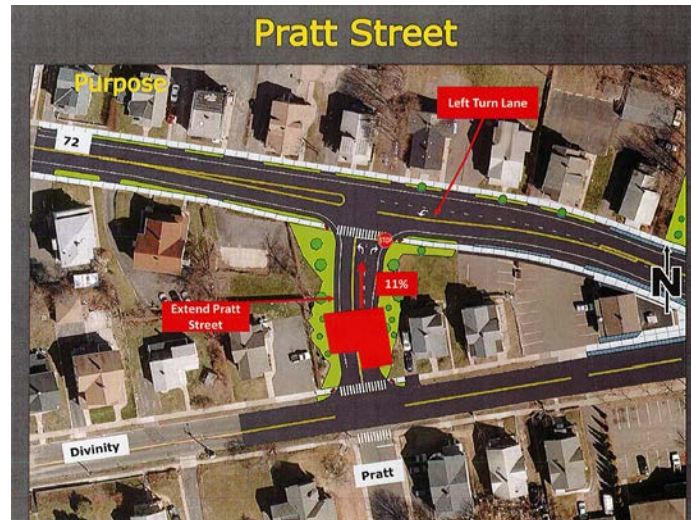
Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$18,000
Sales Comparison Approach - Building	\$185,000
Income Capitalization Approach - Building	\$187,000
Conclusion of Market Value	\$185,000

The Grantor has agreed to DOT's taking price of \$185,000.

RECOMMENDATION: Board **APPROVAL** of damages in the amount of \$185,000 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 acquisition value is supported by the DOT appraisal report.





5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

PRB #	21-018
Origin/Client:	DCS/DPH
Transaction/Contract Type	AE / Task Letter
Project Number:	BI-2B-472
Contract:	OC-DCS-ARC-0065
Consultant:	Newman Architects, P.C.
Property:	Rocky Hill, West St (395) – Public Health Laboratory
Project purpose:	New 4,200 sf Bio-Safety Level 2 Lab
Item Purpose:	Task Letter #2

PROPOSED AMOUNT: \$196,000

At the State Properties Review Board meeting held on July 8, 2019, under PRB #19-130, the Board approved Newman Architects, P.C. (NAP) and the On Call Contract OC-DCS-ARC-0065. The On-Call Contract has a maximum total cumulative fee of \$1,000,000 and an expiration date of 05/15/2021.

Under this Proposal (PRB #21-018), DCS is now seeking Board approval of Task Letter #2 for the Consultant to provide ARC services in conjunction with the project at the Department of Public Health Laboratory in Rocky Hill. The fee for the proposed Consultant's services is \$196,000. There is no design contingency included in the Task Letter.

The scope of work shall include, but is not limited to the following:

- Provide architectural, mechanical, electrical, plumbing and fire protection design services, as well as construction administration services for the construction of a new lab space at the Connecticut Department of Public Health (DPH) Laboratory in Rocky Hill.

The fit-out of a currently utilized storage area in the lower level of DPH Laboratory into a 4,200 square foot Bio-Safety Level-2 lab. During the initial construction of the facility in 2012, the space was left as an open area with the intention for a future lab fit-out. The design includes office and technical support spaces, high-density storage areas and a service corridor.

A breakdown of the Consultant's fee is as follows:

1. Programming Phase: \$31,600 (28 days from receipt of approved TL)
2. Combined Schematic Design/Design Development Phase: \$49,950 (56 days from NTP)
3. Contract Documents Phase: \$68,450 (56 days from NTP)
4. Bid Phase: \$5,600 (28 days from NTP)
5. Construction Administration: \$40,400 (224 days from NTP)

The initial construction budget and project budget for Task 2 have been established at \$1,634,200 and \$2,656,170, respectively.

Newman Architects, P.C. was approved for the following task(s) under this series:

• Task Letter #1	Three Rivers CC Student Services Study	\$26,500 (Informal)
Total Fee to Date:		\$26,500

Task Letter #2 – NAP Basic Services Fee (#21-018)	Base Fees (\$)	Special Services	Total Fee	Construction Budget (\$)	% of Budget
Schematic/Design Development Phase	\$49,950				
Contract Documents Phase	\$68,450				
Bidding Phase	\$5,600				
Construction Administration	<u>\$40,400</u>				
TOTAL BASIC SERVICE FEE (#21-018) (A)	\$164,400			\$1,634,200	10.0%
Special Services					
Programming Phase (B)		\$31,600			
Total Fee #21-018 (A) + (B)			\$196,000	\$1,634,200	12.0%

DCS confirmed funding is in place for this Task Letter #2. The Laboratory has been awarded grant funding from the Center for Disease Control (CDC) to complete this project. Funds expire in November, 2022. Review of the progress of the project must be reported to CDC on a quarterly basis.

RECOMMENDATION: It is recommended that the Board **APPROVE** this TL#2 in the amount of \$196,000. The overall basic service fee of 10% is within the guideline rate of 12.5% for this Group B Renovation Project.

7. OTHER BUSINESS

Chairman Greenberg moved and Mr. Halpert seconded a motion to approve a Board Meeting Fee for Mr. Berger's testimony at a Public Hearing - via Zoom – before the Legislature's Transportation Committee. The motion passed unanimously.

8. VOTES ON PRB FILE:

PRB FILE #20-226 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #20-226. The motion passed unanimously.

PRB FILE #21-009 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE

#21-009. The motion passed unanimously.

PRB FILE #21-018 – Mr. Berger moved and Valengavich seconded a motion to approve PRB FILE #21-018. The motion passed unanimously.

9. NEXT MEETING – Monday, March 8, 2021.

The meeting adjourned.

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