

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On June 1, 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 June 1, 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. Halpert seconded a motion to approve the minutes of the May 27, 2021 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai informed the Board of a meeting Staff had with the Auditors of Public Accounts.

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.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #	21-075
Transaction/Contract Type:	RE – DROW Exchange
Origin/Client:	DOT/DOT
DOT Project #:	51-434-1 B&C
Grantee:	5 Corners-Farmington Associates, LLC
Property:	Farmington, Colt Highway (345)
Project Purpose:	Release DROW & Restriction in Exchange for new DROW Facility
Item Purpose:	Easement Agreement & Release of Easement/Restriction Deed

Exchange Price: \$14,000

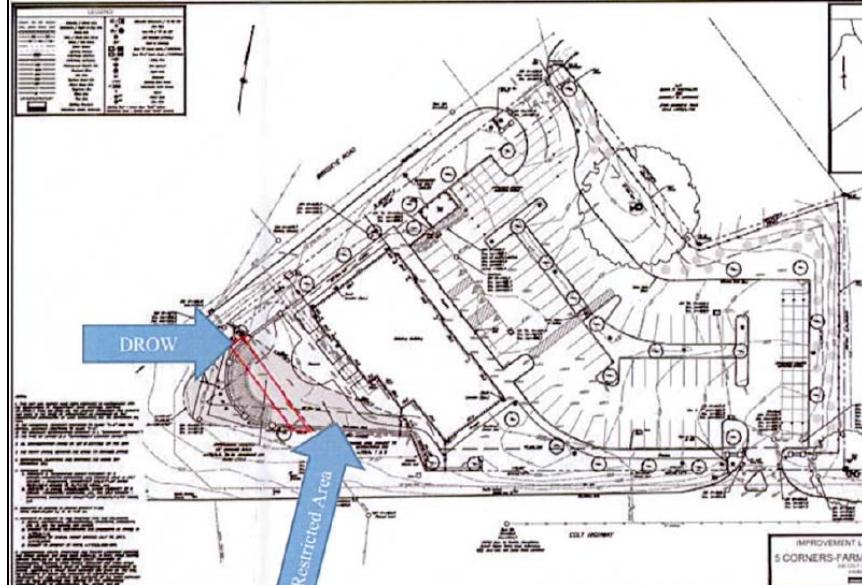
Under this proposal, DOT seeks SPRB approval to release a Drainage Right of Way (DROW) acquired over a total area of 780 square feet on a 1.86 acre site, and release a sight-line restriction over a 0.13 acre portion of the site. The DROW was acquired in 1961 as part of the construction and relocation of Route 6. In exchange for the release of the DROW over the site and release of the restriction, the Grantee (5 Corners) will pay a Release Fee of \$14,000 (+ \$1,000 Admin Fee). Furthermore, the Grantor (5 Corners) will then execute an Easement Agreement to benefit the State to provide a drainage “Facility” over the entire 1.86 acre site.

The subject DROW and restrictive covenant were reserved by the Department of Transportation (Department) in 1961 in conjunction with the release of an excess parcel of land to Mr. G. David Lattizori, DOT File No. 51-434-JA.

The subject property is an irregular shaped parcel consisting of $81,224\pm$ sq.ft. or $1.86\pm$ Acres of improved commercially-zone land (B1) improved with an $8,283\pm$ sq.ft. one-story retail building constructed in 2018. The property has a fairly level topography and is not located in a flood zone. Rights of access are denied at the intersection of Colt Highway and Birdseye Road.

DROW & Restriction to Erect Signs and Structures:

The DROW and the Release of Restriction to Alter Elevation and Restriction to Erect Signs and Structures are located in the southwesterly portion of the property. The DROW is approximately 10' wide panning the width of the property, resulting in a total area of $780\pm$ square Feet. The size was estimated by CONNDOT surveys using the release map from when the property was released in 1961 and the DROW was retained along with restrictions to preserve sightlines. The Restricted Area was estimated to be $0.13\pm$ Acres or $5,663\pm$ sq.ft. Both of these areas were estimated based on the release map and were deemed accurate given the data.





View looking northeasterly.

Short Form/Letter Valuation – With the release of this DROW, DOT Appraiser Anthony J. Delucco appraised the entire 1.86+acre property, as of September 10, 2020. The Appraiser utilized five sales of similarly-zoned land and concluded the market value of the subject property was \$8.00 (\$648,000 total). The Farmington Assessor valued the land for a total of \$436,000 or \$5.38/sf (100%), during the last revaluation (2017).

The Appraiser then calculated the value of the land within the DROW and Restricted Area over the site, calculated as follows:

Item	Calculation	Value
Drainage Right of Way Release	780 sf x \$8.00/sf x 75%	\$4,680
Release of Restrictions	5,663 sf x \$8.00 x 25%	\$11,326
	Total	\$16,006
	Rounded	\$16,000

Release Negotiations

On September 25, 2020, the Department sent a letter to Mr. Lattizori with an asking price of \$20,000.00. On October 8, 2020, Mr. Lattizori presented the Department with a counteroffer of \$10,000.00, which was not accepted as it was not within a reasonable range of the appraised value. On October 13, 2020, Mr. Lattizori presented his highest and best offer to pay \$14,000.00. In addition, a \$1,000.00 Administrative Fee will be collected by the Department at closing.

Staff inquired with DOT regarding the following.

- Please clarify is the Town's Delegation is required to receive notice of this Release pursuant to CGS 13a-80(a), similar to the Vernon release under DOT Project 146-000-22A, reviewed under PRB #21-038.

DOT Response: ... This was an oversight. We will have to send the Town the Legislative Notification. The Town of Farmington is aware that the builder was dealing with the State because they must have applied for some type of zoning application, however, we are so used to just doing these for land only, and it was not until the original Vernon one in 2019 did Jeff Zeman said the way the statute is written is that we have to notify the town regardless of it not being a land conveyance.

Staff Response: DOT provided an electronic copy of those letters sent to the Town's Legislative Delegation. Upon DOT's response, Staff inquired if DOT was also required to provide notice to the Town pursuant to CGS 3-14b.

DOT Response: I just re-read AAG Zemans comments on this matter and he stated "no" to 3-14b. I will forward Zeman's comments to you, however he recommended using different statutes for these easement exchanges. It warrants another internal discussion at DOT which Amy and I will have on these, as they seemed to have increased over the years.

Recommendation – Staff recommend the Board suspend this Proposal to release a DROW and Restrictions for \$14,000 (+ \$1,000 Admin Fee) in exchange for being granted a new easement “Facility” over the entire 1.86+ acre parcel pending outcome of DOT and AG of appropriate statutory authority to effect this exchange via the Release Easement to be executed by the Commissioner of DOT, or his duly authorized designee.

PRB # 21-076
Transaction/Contract Type: RE – Sale by Sole Abutter Bid
Origin/Client: DOT/DOT
DOT Project #: 151-273-007A
Lessee: Loehmann-Blasius Chevrolet, Inc.
Property: Waterbury, Reidville Rd (41,887 sf)
Project Purpose: Sale by Sole Abutter Bid
Item Purpose: Quit Claim Deed

Sale Price: \$205,000 (plus \$1,000 Admin Fee)

Under this Proposal (PRB #21-076) DOT is seeking SPRB approval to this Sale by Sole Abutter Bid to release two irregularly-shaped parcels of land totaling $41,887 \pm$ sf square feet of land to the Abutter located at 160 Reidville Drive, Waterbury.

Release Area #1 is comprised of an irregularly-shaped $0.938 \pm$ acre ($40,840 \pm$ square feet) parcel with $278' \pm$ of frontage on the south side of Reidville Drive. The eastern half of the land is generally level, cleared of woods and brush, and is slightly elevated above road grade. The western half has diminished utility due to rocky ledge and upward sloping terrain, and is moderately wooded.

Release Area #2 is comprised of a triangularly-shaped 0.024 acre ($1,047 \pm$ square feet) parcel with $56' \pm$ of frontage on the south side of Reidville Drive.

Both parcels are located in the Limited Industrial (IL) district. All typical municipal utilities are available. Neither Release Parcels are located within a flood zone and or affected by inland wetlands. For a complete and detailed description of the release parcel, please refer to the appraisal.





The Appraiser opined the highest and best use of both release parcels would be for assemble to the sole abutter.

The sole abutter located at 106 Reidville Drive consists of a flag lot that totals $5.51 \pm$ acres ($240,016 \pm$ sq. ft.) with $67 \pm$ of frontage on the south side of Reidville Drive. The property is located in an IL industrial zone. The site is improved with two buildings (not appraised & assigned an "X" value). Upon assemblage the property will consist of $6.47 \pm$ acres ($281,903 \pm$ sq. ft.) with $334 \pm$ of frontage on Reidville Drive.

The valuation of the subject property is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

Extraordinary Assumptions

As of the Effective Date, the world is engaged in a struggle to contain a viral pandemic known as 'COVID-19,' which has significantly incapacitated many nations and economies on a global scale. Countries around the world are struggling to control this novel coronavirus outbreak, causing widespread panic in most, if not all, markets and asset classes on a global scale. The pandemic is an ongoing situation on an unprecedented global scale. The effects of this outbreak are not fully quantified within real estate markets by way of sales and leasing activity, in addition to the impact of rising unemployment, non-payment of taxes and debt instruments, cash liquidity, availability of mortgage money, decreased rates of absorption, and a myriad of other variables integral to real estate valuation and buyer/seller decision making, which further influence the dynamics of supply and demand. The impact of the pandemic will likely not be fully understood for several months. As such, it must be noted that the value presented within this report considers transactions having occurred prior to the outbreak, with no sales activity available as of the Date of the Report which captures the scope and severity of the pandemic's impact on value on a short-term or long-term basis. It is noted and stressed

within the Appraisal Report that conditions may change and could impact future opinions of value.

The best available information and data has been considered in the appraisal process. Numerous municipal departments, town officials, and data resources which are commonly interviewed and utilized in the verification of property-specific factors impacting value were limited or unavailable during the appraisal process. Your appraiser is utilizing the best information available as of the date of this report via an *Extraordinary Assumption*. If it were found that the data presented within this report deviates from the findings of qualified experts, your appraiser reserves the right to consider its impact on value.

As per Mr. Robert Nerny, the City Planner for the City of Waterbury, indicates the subject's Release Area #1 is not a standalone, independently developable building parcel, despite meeting the minimum lot area, frontage, and other required criteria as per the zoning regulations. Your appraiser is valuing the subject via the Extraordinary Assumption that the subject Release Area #1 is not a developable parcel. If it were found not to be the case, your appraiser reserves the right to consider its impact on value.

It is noted in the Assessor's GIS property maps that the sole abutter is encumbered by a 50' wide access easement. However, the warranty deed recorded via the most recent sale of the property does not indicate this to be an encumbrance. As such, your appraiser is valuing the subject's property via the Extraordinary Assumption that the 50' right of way (assumed to be in favor of the Release Area) is not in existence. If this were found to not be the case, your appraiser reserves the right to consider its impact on value.

Hypothetical Conditions

The methodology used in this Release Appraisal Report is a standard state format in the form of a Before and After valuation appraisal.

No other Hypothetical Conditions are necessary for the execution of this assignment. If these assumptions are proven to be different, I reserve the right to change my opinion of value.

Valuation – With the release of this parcel via a Sale by Sole Abutter Bid, DOT Appraiser Steven C. Miller appraised the property, as of August 19, 2020, in both the Before and After assemblage, valuing the three 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 similarly-zoned land in Middlebury (1) and Waterbury (2) that sold in 2019-2020 and concluded the fair market value of the Larger Parcel was \$3.25/sq.ft. x 240,016 sq.ft. = \$780,052, rounded to \$780,000.

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the subject property was increased to \$3.50/sq.ft. x 281,903 sq.ft. = \$986,661, rounded to \$985,000.

Value of the Release

After Valuation	\$985,000
Before Valuation	\$780,000
Value of Release	\$205,000
Discount for Site Characteristics (-15%)	-\$30,750
Value of Release	\$174,250
Rounded	\$175,000

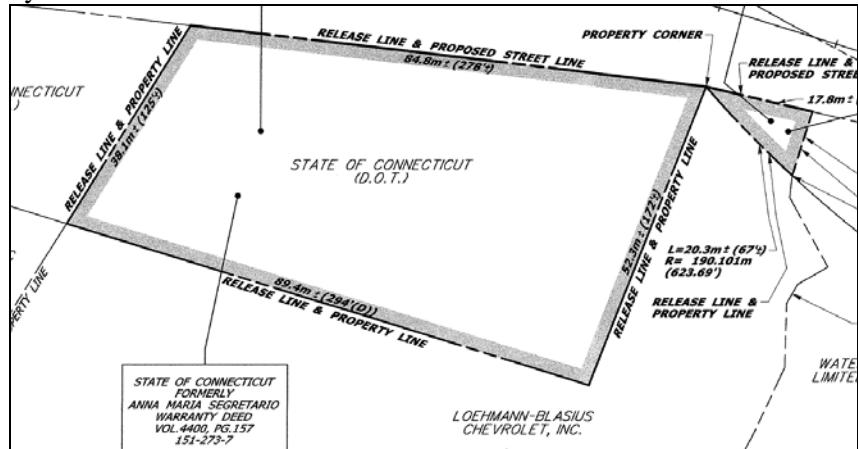
Sale by Abutter Bid & Negotiations – Loehmann-Blasius Chevrolet, Inc. the sole abutter, requested to purchase the subject parcels in 2018. Project No. 151-273 was completed prior to Estimated

construction completion date, and the Department declared that these parcels were in excess of Transportation needs, however, per Engineering this office was instructed not to sell anything until after Summer, 2020. On August 19, 2020, an appraisal was prepared by staff appraiser Steve C. Miller, who determined the fair market value of to be \$175,000.

On October 18, 2020, an offer letter was sent to Attorney Gary B. O'Connor, whom represents Loehmann-Blasius in the amount of \$206,000, which includes a \$1,000 administrative fee. On October 22, 2020, Attorney O'Connor notified this office of his client's acceptance of the sales price of \$206,000 for the subject property.

Recommendation – Staff recommend approval of the proposed Sale by Sole Abutter Bid in the amount of \$205,000 (plus \$1,000 Admin Fee) for the following reasons:

- The proposed sale complies with Sections §3-14b, and §13a-80 of the CGS in that the City of Waterbury declined to purchase and the legislative delegation received the required notification on July 1, 2020.
- The release value of \$205,000 is reasonable in that it represents 117% of the appraised value and it will return the property to the Waterbury tax rolls and relieve the State of all future expenses.
- The description in the Quit Claim Deed is consistent with the compilation map to be filed in the Waterbury Land Records.



5. ARCHITECT-ENGINEER – UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER – NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #21-075 – Mr. Berger moved and Mr. Halpert seconded a motion to suspend PRB FILE #21-075. The motion passed unanimously.

PRB FILE #21-076 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #21-076. The motion passed unanimously.

9. NEXT MEETING – Thursday, June 3, 2021.

The meeting adjourned.

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