

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On February 23, 2023 – 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 February 23, 2023 remotely via telephone conference at (860)-840-2075 and use passcode 284890492#.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Staff Present:

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 February 21, 2023 and February 22, 2023 Meetings. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #	23-009
Transaction/Contract Type:	RE – Sale
Origin/Client:	DOT/DOT
DOT Project #:	7001-001-1619
Grantee:	JRF Management, LLC
Property:	Farmington, Farmington Ave (1349-1371)
Project Purpose:	Sale by Sole Abutter Bid
Item Purpose:	QC Deed

CONVEYANCE FEE: \$0 (+ \$1,000 Administrative Fee)

Under this Proposal (PRB #23-009) DOT is seeking SPRB approval of a Quit Claim Deed for this Sale by Sole Abutter Bid for a \$1,000 Administrative Fee to the Grantee, JRF Management, LLC. DOT identifies CGS §13b-36(b) as their statutory authority to sell this land.



Courtesy: Google

The release land is a part of what the town identifies as Lot 8560 New Britain Avenue, being a portion of a former railway that has been converted to the '*Farmington Canal Heritage Trail*,' a local recreational trail utilized mainly by regional residents for walking, running, bicycling, and other various complementing forms of low impact recreational use.

The release is shown to total $4,517\pm$ square feet, and generally consists of a triangular area having an attached elongated strip to its south. The triangular section measures roughly $56'\pm$ by $115'\pm$, while the narrow strip measures $5'\pm$ wide and roughly $203'\pm$ long. The release land encompasses steep terrain along the edge of the former rail corridor that is lightly wooded.

It is noted that the easterly abutting property (herein identified as *Parcel A* of the Sole Abutter) is a former industrial mill, which had previously utilized the railway for economic purposes. Currently, there is a portion of a building structure and a poured concrete structure supporting an elevated rail track which encroach over the property line and into the release land. Photos of the structural encroachments are provided in the addendum of this restricted appraisal report.

Highest and Best Use: The State's Release Land lacks accessible road frontage, and does not meet the minimum lot size requirement of the underlying municipal zone. The release has poor utility for most any economic use, and cannot be treated as a standalone building parcel of record. The release land is best suited for assemblage purposes to an abutter. The release land abuts to only one property, being the Sole Abutter to its east. It is the opinion of your appraiser that the "Highest and Best Use" for the Release Land "As- Vacant" is for assemblage to an abutting property, to which there is only one, the Sole Abutter.





The Sole Abutter property land parcel (4 parcels) totals $1,083,622 \pm$ square feet ($24.87654 \pm$ acres) with a total of 1,112 feet of frontage on the southerly side of Farmington Avenue, sloping slightly downward to the Farmington River, forming the property's southerly boundary. The site ranges in depth $630' \pm$ deep from the road frontage along the east side and up to $1,005' \pm$ deep along the westerly property boundary.

Overall, the assemblage is well suited to an intense riverfront development, given the land area, location, convenient access, and various amenities nearby. It is notable that the assemblage recently gained a zone change and approved municipal entitlements for the structural development of commercial/multifamily uses and structures. The application to the town stipulates 199 apartment units and $54,157 \pm$ square feet of commercial area.

The site is zoned for commercial purposes via the Midpoint Development District (MDD).

After assemblage, the subject property totals $24.98023 \pm$ acres ($1,088,139 \pm$ square feet) of land, a $0.4 \pm \%$ increase in overall area over the "Before" condition

It is the opinion of the appraiser that the "Highest and Best Use" of the Sole Abutter property is "As-Improved," and for the conversion of existing structures to mixed-use redevelopment of the property in harmony with existing approvals, which total 199 apartment units and with $54,157 \pm$ square feet of commercial space.

Before Valuation – With the release of this parcel via a Sale by Sole Abutter Bid, DOT Appraiser Steven C. Miller appraised the property, as of March 28, 2022, in both the Before and After assemblage. Based on the sales comparison approach, the Appraiser utilized three sales of land in Farmington, Simsbury and Bristol that sold in 2020-2021 with a similar highest and best use and concluded the fair market value of the Larger Parcel (land only) was $\$6.00/\text{sf} \times 1,083,622 \text{ sf} = \$6,501,732$, rounded to $\$6,500,000$.

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the subject property, as assembled, was unchanged at $\$6.00/\text{sf} \times 1,088,139 \text{ sf} = \$6,528,834$, rounded to $\$6,530,000$.

Value of the Release

After Valuation	$\$6,530,000$
Before Valuation	$\$6,500,000$
Value of Release	$\$30,000$

Sale by Abutter Bid & Negotiations –

Attached is a deed and map for the proposed release of 4,517+/-square feet of vacant land located on the easterly side of land of the State of Connecticut (D.O.T.) (Penn Central), in the town of Farmington. A portion of the railroad right of way was acquired from the Boston and Main Corporation by the Department of Transportation (Department) on January 2, 1992.

The property is to be conveyed to JRF Management, LLC, the sole abutter, whom requested the property.

On March 28, 2022, an appraisal was prepared by Staff Appraiser Steven C. Miller, who established a value of \$30,000.00.

After negotiations between the Office of Rails and JRF Management, LLC, the Department has agreed to convey the State land for no monetary consideration. In lieu of paying the Department for the parcel, JRF Management, LLC has agreed to incur the cost to demolish the existing rail spur track estimated to be approximately \$75,000.00 (see attached Administrative Acceptance approved on July 21, 2021).

JRF Management, LLC has agreed to pay an administrative fee of \$1,000.00 for the conveyance.

Your approval is respectfully requested.

From the Rail Administrator's communication:

We are seeking approval to process a State property sale between CTDOT and JFR Management, LLC. The company owns the abutting property which includes buildings. This proposed sale transaction is to be the sole abutter for the property to be assembled to the requestor's property. The release area is approximately 4,517 square feet. A corner of one of the buildings is currently on the State parcel. There is an abandoned elevated concrete spur track that runs along the building. The State commissioned an appraisal that found the noted parcel has a fair market value of \$30,000.00. When the noted amount was presented to owner, Mr. Jeff Scott, negotiations commenced. Mr. Scott has provided an estimate to demolish approximately 80 feet of the spur track in the amount of \$75,000.00. Mr. Scott has requested that in lieu of paying the State for the parcel, he would pay the demolition cost as compensation. This is fair compensation when the current spur track serves no practical use and is an attractive nuisance with substantial liability to the State. The Release Area is a non-conforming parcel and has reduced salability to the sole abutter only, with no real potential to be acquired by any other active market participant given the small site area and lack of access. While the appraisal is on a "Before and After" basis for Release Value to the sole abutter, the developer will incur additional expenses to assemble the land, such as surveying costs, modifications to existing site plans, alterations to existing structural and site improvements, etc. There will be additional costs to the requestor to developing the entire complex. In addition, officials from the Town of Farmington have expressed their support for the planned project.

When all of these factors are taken into consideration that a Connecticut business is willing to commit in excess of \$75,000.00 dollars for demolition costs and providing a much bigger investment in the whole project, the negotiated sale price amount of \$0 is fair and equitable to all parties concerned.

Staff inquired with DOT regarding the following issues:

1. Please clarify if the statutory authority under CGS §13b-36 cited in the Quit Claim Deed is the appropriate statute governing the release of this land. And, if it is the appropriate statutory authority, please clarify if State Properties Review Board review and approval is required under the statute (see CGS §13b-36(b)).

DOT Response: The Commissioners authority to release the property is under 13b-36. However, approval of the release requires a read and interpretation of the SPRB statutes. It would be incumbent upon SPRB to determine whether or not its approval is required under statutes.

In the interim, I request that SPRB review and approve the attached file as a closing is pending. Certainly no harm can come from an approval of this one file, which is for much more than the appraised value. In the meantime, SPRB can review its statutes to determine whether or not it will need to review future 13b-36 release/lease files.

Staff Response: CGS 13b-36 does not reference SPRB role in approval/consent for acquisition or sale, whereas CGS 13a-80 is very specific with respect to the sale of property and SPRB role (see below). And, CGS 13a-73(h) is very specific with SPRB role in acquisition of property.

Sec. 13b-36. Acquisition of land, buildings, equipment or facilities; right of first refusal of railroad properties and facilities, when. (a) The commissioner may purchase or take and, in the name of the state, may acquire title in fee simple to, or any lesser estate, interest or right in, any land, buildings, equipment or facilities which the commissioner finds necessary for the

operation or improvement of transportation services. The determination by the commissioner that such purchase or taking is necessary shall be conclusive. Such taking shall be in the manner prescribed in subsection (b) of section 13a-73 for the taking of land for state highways. (b) The commissioner may sell, lease, convey or enter into any other arrangement for the use of such property for the operation of transportation services, or for such other purposes as the commissioner determines to be consistent with the best interests of the state.

Sec. 13a-80. Sale or lease of land by commissioner. Auctions. Appraisals. Offer to agencies and abutting landowners. (a) The Commissioner of Transportation, with the advice and consent of the Secretary of the Office of Policy and Management and the State Properties Review Board may sell, lease and convey, in the name of the state, or otherwise dispose of, or enter into agreements concerning, any land and buildings owned by the state and obtained for or in connection with highway purposes or for the efficient accomplishment of the foregoing purposes or formerly used for highway purposes, which real property is not necessary for such purposes. The commissioner shall notify the state representative and the state senator representing the municipality in which said property is located within one year of the date a determination is made that the property is not necessary for highway purposes and that the department intends to dispose of the property.

Previously, under PRB #22-018, DOT had sought SPRB approval of a Quit Claim Deed for a Sale by Sole Abutter Bid (\$10,000) for the sale of a 3,601 sf parcel of land located outside of the Metro-North operating area. DOT had stated in the QC Deed that their statutory authority was pursuant to CGS §13b-36. At that time, SPRB had inquired about the cited statute and the lack of reference to the Board's role (CGS §13b-36 (b)) in the DOT Commissioner's sale/release of the property. At that time and subsequent to SPRB inquiry, DOT had responded "This file was sent to SPRB in error...Please consider this a formal request to remove the file from SPRB's docket." The SPRB voted to Return the Proposal pursuant to the DOT request.

The Proposal presented to the SPRB under PRB #23-009 is no different than that presented under PRB #22-018. Statute does not specify a SPRB role in the advice/consent of a conveyance and therefore SPRB has no authority to approve of the sale.

Recommendation – Staff recommend Return of the proposed Sale by Sole Abutter Bid in the amount of a \$1,000 Administrative Fee as it lacks statutory authority to provide an advice/consent role of a sale under CGS §13b-36 (b).

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:49. The motion passed unanimously.

EXECUTIVE SESSION

PRB #: 23-022-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 10:10. The motion passed unanimously.

OPEN SESSION

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER – NEW BUSINESS

7. OTHER BUSINESS

Chairman Greenberg requested a motion to approve Board Fees and Mileage reimbursement for Secretary Valengavich and Mr. Halpert for their attendance at the Site Visit on Wednesday, 2-22-2023. Vice Chairman Josephy moved and Mr. Berger seconded a motion to approve Board Fees and Mileage for Wednesday's Site Visit. The motion passed unanimously.

8. VOTES ON PRB FILE:

PRB FILE #23-009 – Mr. Berger moved and Mr. Halpert seconded a motion to return PRB FILE #23-009. The motion passed unanimously.

PRB FILE #23-022-A – Mr. Valengavich moved and Mr. Berger seconded a motion to suspend PRB FILE #23-022-A. The motion passed unanimously.

9. NEXT MEETING – Monday, February 27, 2023.

The meeting adjourned.

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