

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On May 30, 2023

– solely by means of electronic equipment - via telephone conference –

Pursuant to CGS §1-225a, the State Properties Review Board conducted its Regular Meeting at 9:30AM on May 30, 2023. Pursuant to the statute, this Meeting was held solely by means of electronic equipment, with Participants connecting via telephone conference at (860)-840-2075 and used passcode 284890492#.

The Notice provided designated this Regular Meeting as open to the public. Call in instruction were provided as: Dial toll free (860)-840-2075 and use passcode 284890492#. If you have any questions or need assistance to attend these Meetings, you can contact SPRB Director Dimple Desai at dimple.desai@ct.gov to make appropriate arrangements.

Members Present – solely by means of electronic equipment:

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

Members Absent:

Staff Present – solely by means of electronic equipment:

Dimple Desai
Thomas Jerram

Guests Present – solely by means of electronic equipment:

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 May 25, 2023 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Mr. Berger provided an update with respect to proposed Legislation that may impact the Board.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB # 23-071
Transaction/Contract Type: RE – MOU
Origin/Client: DAS/DSS/ADS
Property: Middletown, South Main St (2081)
Project Purpose: DSS/ADS Shared Space/Expenses
Item Purpose: Memorandum of Understanding

Background

At the State Properties Review Board meeting held on March 2, 2015, under PRB #14-263, the Board approved a new, 10-year, Lease for Department of Social Services (DSS) to relocate to 2081 South Main Street, Middletown. The 12.24 acre site is improved with a building constructed in 1980 with a gross area of 59,557 SF. It was an industrial warehouse and was renovated for state agency use. DCF also occupies 17,360 nuf at this location.



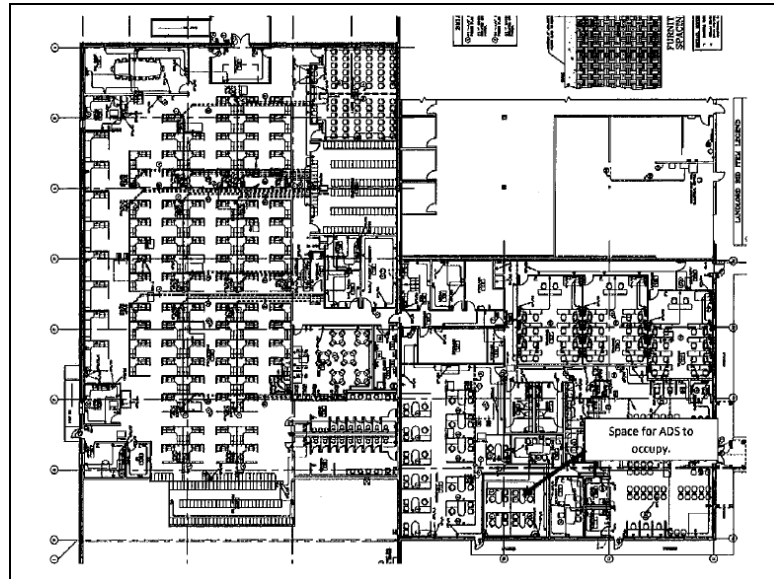
Courtesy: Google Maps

Under this Proposal (PRB #23-074) DAS, DSS and Aging and Disability Services (ADS) are seeking SPRB approval for a new Memorandum of Understanding for ADS to utilize certain areas within the DSS Leased Premises.

The terms of the MOU are as follows:

1. Signage for ADS/BRS shall be inside and outside of the building and on the street.
2. Panic buttons shall remain in cubicles that are monitored by DSS security.
3. ADS staff shall have full access to all common accommodations (bathrooms, break rooms, etc.) inside of DSS space. ADS consumers shall have full access to client areas. Consumers are prohibited in secure areas beyond the "interview room".
4. ADS shall have the ability to sign out the large conference room at least four times a year and as needed, without the possibility of being bumped.
5. ADS shall have the ability to sign out the hearing rooms at least once a month and as needed without the possibility of being bumped. Reserving the room will be treated as first come first serve. A procedure for reserving the room will be set up and agreed upon between DSS and ADS.
6. ADS staff that are permanently assigned to the Middletown office will have access to the secured parking lot if the DSS telework schedule continues. Should 100% of DSS staff be required to return to the office fulltime, ADS staff will have to park in the client parking lot.
7. DSS shall allow an allocation for an office supply storage cabinet up to 60" wide. Floor to ceiling.

8. ADS shall have access to DSS shred bins.
9. Security shall greet, notify, and/or escort consumers to ADS space or employees. Offices shall be available to ADS staff from 7:00am-5:30pm. Client hours are 8:00am- 4:30pm with clients being out by 5:00pm.
10. Space shall be allocated for ADS IT equipment in the DSS IT room. ADS will have a dedicated locking panel to ensure only ADS staff can access the ADS server.
11. ADS will pay 2% of the pro rata share of DSS's annual rent and expenses, totaling \$14,505.95/year.
12. Upon execution of the MOU, the lease at 442 Smith Street, Middletown will be terminated, saving \$2,390.05 per year.



The MOU has been approved by each party as follows:

- ADS Commissioner: February 14, 2023;
- DSS Commissioner: February 22, 2023;
- DAS Deputy Commissioner: March 20, 2023;
- Office of Policy & Management: April 2, 2023.

RECOMMENDATION: Board approval is recommended for the following reasons:

- The colocation complies with CGS 4-67g(f) (OPM statutes); and
- The colocation complies with CGS 4b-29 (DAS statutes).

From PRB #15-158

TO: STATE PROPERTIES REVIEW BOARD

FROM: MG

DATE: July 29, 2015

SUBJECT: **PRB# 15-158** DAS/Dept. of Rehabilitation Services (DORS), South Regional Office. New 5 year lease at new location: 1,408 NUSF with parking for 8 vehicles

Location: 442 Smith Street, Middletown

Lessor: BostonMiddletown, LLC by Elliot Gould, Managing Member

DAS requests approval of a new 5-year lease for the Departments of Rehabilitation Services at 442 Smith Street, Middletown. The DORS current location at 117 Main Street Extension (DSS lease, PRB #03-47) was purchased by Middletown Hospital in November 2012, and DSS and DORS are quitting the space. DORS has been occupying 1,000 SF at the DSS premises, with the 2 agencies sharing common areas including reception/waiting room, lunch room, conference rooms and lavatories. DORS currently reimburses DSS for a proportionate share of rent and operating expenses.

The new demised premises at 442 Smith Street, Middletown are in a single story 29,400 GSF, Grade C masonry framed building constructed in 1985, with renovations, including new pavement and a new roof, in 2008. The heating and central air systems were updated in 2010. According to the assessment records, this building can be used by 9 tenants as currently configured. The site is 4.84 acres, with a total of 3 office buildings.

The table summarizes the new lease proposal.

| ITEM | PRB #15-158 |
|---|---|
| Leased Premises 442 Smith Street, Middletown | 1,408 NUSF Suite 442-A |
| Base Rent/SF/Year | \$12.00 |
| Annual Rent | \$16,896 |
| Lessee TI | \$0.00 |
| Parking in Base Rent | 8 |
| Renewal Option | 5 years @ \$12.96/NUSF (+8%) |
| Carpet & Repaint | Standard lease language requires new carpet and paint at renewal (2020) |
| Additional Rent | Pro-rata share of zone – 44.55% - of heat (gas), hot water & electricity; interior window washing; janitorial; removing rubbish to the dumpster (lessor provides dumpster); security; task lighting. DAS estimates these costs to be \$4.85/NUSF. |
| Termination Option | No |
| Lessor's TI & Work | At lease commencement, carpet will be cleaned; walls repainted; Lessor to construct a wall in the large conference room to separate it into 2 offices. |

The leased space is less than 2,500 SF, therefore no advertisement was required. OPM approved 1,220 SF, based on 220 SF/employee and agency requirements, and \$28,500 for this purpose. The executed lease was approved by OPM 07/08/2015. The lease costs are federally funded.

Because the building was constructed after 1980, no environmental affidavit regarding asbestos containing materials is required.

Market Data. DAS supplied information on 3 current leases at this location, 442 Smith Street, which range from \$11.00 - \$13.75 /SF, plus utilities. Information was also provided on 2 comparable properties and 2 additional properties that were considered, but found to be inferior to the demised premises.

RECOMMENDATION: For this new lease, DAS should provide a scalable floor plan or some other certification to confirm 1,408 NUSF of rented area. When received, Board approval is recommended for DORS 5-year lease agreement at 442 Smith Street, Middletown. All required documentation has been provided. The base rental rate is comparable to the rate being paid by other (private sector) tenants in the building. The location is 0.5 miles north of the Exit 20 to I-91 at Middle Street, and the building is located along a city bus route.



442 Smith Street, Middletown

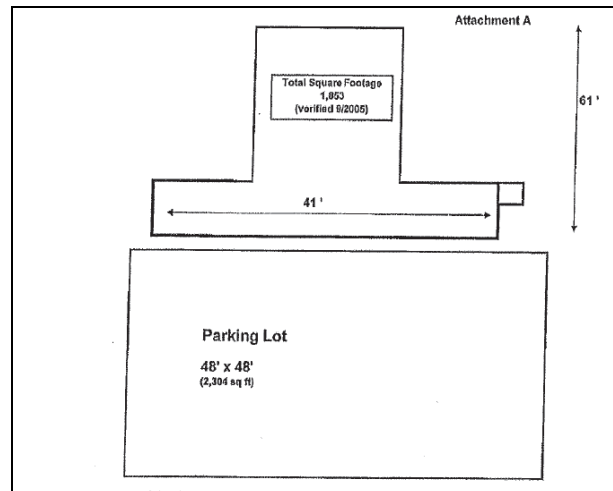
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|-----------------------------------|---|
| PRB # | 23-075 |
| Transaction/Contract Type: | RE / Lease |
| Origin/Client: | DAS/DOC |
| Property: | Enfield, Shaker Rd (285) – Carl Robinson CI |
| Lessee: | Connecticut State Prison Employees Federal Credit Union (CSPEFCU) |
| Project Purpose: | Lease of 1,853 sf with Parking |
| Item Purpose: | New 5 Year Lease |

BACKGROUND: Board records indicate that CSPEFCU has occupied this space since approximately 1959. The first lease for the Connecticut State Prison Employees Federal Credit Union was approved in 1987, when the tenant was given a lease for the use of Building 44. Over the years, the Lessee has renovated and maintained the lease space. Until 2010, the DOC collected no rent (\$1.00/term). The lease agreement approved by the Board in PRB #10-200 increased the rent to \$100/month.

The Credit Union installed a generator, replaced the front door, front steps, installed new carpet and blinds, and completed other general maintenance repairs as necessary. Prior to that, a bathroom renovation was completed, the entry was remodeled, and a new roof, water heater, and furnace were installed by the tenant. And in 2017, a new 5-year Lease was approved under PRB #17-174. At that time DAS provided the Board with documentation that the credit union had expended over \$57,000+ worth of general repairs and improvements over the time of their occupancy. That Lease had expired on August 31, 2022.

Under this Proposal (PRB #23-075) DAS is seeking SPRB approval of a new Lease (Lease Out) for the State to continue leasing this space, commencing September 1, 2022, for a 5-year term, with two 5-year renewal terms. The rental is \$100/month, with the Lessee responsible for their

utilities and other reimbursable expenses. The state is responsible for water, sewer, snow removal and landscaping.



| DESCRIPTION | SUBJECT LEASE-OUT (PRB #23-075) |
|-----------------------------------|--|
| Location | Carl Robinson Correctional Institution, 285 Shaker Road, Enfield |
| Leased Premises | Building #44: 1,853 NUSF, plus adjacent 2,304 SF parking lot |
| Use | Solely for credit union and ancillary office space |
| Lease Term | Five years commencing 9-1-2022 upon AG approval |
| Base Rent/Year | \$1,200 (\$.65/nusf) |
| Renewal Term (years) | Two 5-year renewals with 90 days prior notice |
| Renewal Rent/SF/year (\$) | Same as initial rent |
| Lessee's Additional Rent | The cost of all repairs, services and utilities except for water/sewer charges, snow removal and lawn care. Lessee is responsible for roof repairs. Lessee is not obligated to pay for structural repairs. |
| Services Provided @ Lessor's Cost | Water and sewer; snow removal, landscaping. Lessor not responsible for maintenance or repair of any HVAC or other systems/equipment installed by the Lessee. |
| Insurance | Lessee will maintain liability insurance \$1,000,000 occurrence/\$2,000,000 aggregate; and insurance against all risk or loss to any tenant improvement, betterment, personal property, trade fixture. Workers Compensation and Employers Liability coverage shall be maintained in compliance with state law. |
| Assignment & Subletting | Requires prior written consent of Lessor |
| Lease Termination | Lessor may terminate for any reason with 90 days' notice |

RECOMMENDATION: Board approval of this Proposal to Lease a 1,853 sf of office space to Lessee for the following reasons.

- This proposal is a standard lease-out agreement;
- CGS §4b-38 authorizes DAS to lease state property to private individuals or concerns for private use, when not used or needed for state use and is in the public interest;
- Pursuant to 4b-38(a), the Treasurer of the State of Connecticut determined the Lease will not affect the status of any tax exempt bonds; and
- Pursuant to 4b-38(f), the Town of Enfield was provided Notice that the State was intending to enter this Lease.

From PRB #17-174

TO: State Properties Review Board
FROM: SPRB Staff

DATE: July 27, 2017

SUBJECT: PRB #17-174, Lease-Out to the Connecticut State Prison Employees Federal Credit Union. Location: Building #44, on the grounds of the Carl Robinson Correctional Institution, 44 Shaker Road, Enfield

UPDATE: The Board suspended this file on June 29, 2017 due the following concerns/questions on the project:

- Actual costs for water, sewer, snow removal, lawn care etc.....with supporting documentation.
- An analysis for the market rates regarding similar space as well as a potential discounted rate acknowledging the TI work completed by the tenant.

Based on these questions, DAS Leasing provided the Board the following response to the Board's Questions:

- Actual costs for water, sewer, snow removal, lawn care etc.....with supporting documentation. --- **DAS Response:** DOC has its own water and sewer service and as such these services are not separately metered. Although based on the building size and fixture count; the consumption is assumed to be very low. Invoices for electrical and gas service average \$200/month and \$250/month respectively; these costs are paid by the Credit Union.
- An analysis of market rents. --- **DAS Response:** DAS believes that the \$100/month is acceptable based on the costs to operate the facility as well as the fact that the credit union has expended over \$57,000+ worth of general repairs and improvements over the time of their occupancy. A detailed listing of these expenditures was attached with the DAS response to the SPRB suspension.

RECOMMENDATION: Based on the additional information, Staff recommends approval of the lease-out to the Connecticut State Employees Federal Credit Union for a five year term.

BACKGROUND: Board records indicate that the first lease for the Connecticut State Prison Employees Federal Credit Union was approved in 1987, when the tenant was given a lease for the use of Building 44. Over the years, the Lessee has renovated and maintained the lease space. Until 2010, the DOC collected no rent (\$1.00/term). The lease agreement approved by the Board in PRB #10-200 increased the rent to \$100/month, which DOC said would cover the water and sewer charges associated with the building.

The parties agreed to continue the current rental rate at \$100/month because of the maintenance work undertaken by the Credit Union. Since 2010, the Credit Union expended \$16,437.87 for maintenance and improvements. The Credit Union installed a generator, replaced the front door, front steps, installed new carpet and blinds, and completed other general maintenance repairs as necessary. Prior to that, a bathroom renovation was completed, the entry was remodeled, and a new roof, water heater, and furnace were installed by the tenant.

SUMMARY - LEASE-OUT

| DESCRIPTION | SUBJECT LEASE-OUT (PRB #17-174) |
|--|--|
| Location | Carl Robinson Correctional Institution, 285 Shaker Road, Enfield |
| Leased Premises | Building #44: 1,853 NUSF, plus adjacent 2,304 SF parking lot |
| Use | Solely for credit union and ancillary office space |
| Lease Term | Five years commencing upon AG approval |
| Base Rent/Year | \$1,200 (\$.65/nusf) |
| Renewal Term (years) | Two 5-year renewals with 90 days prior notice |
| Renewal Rent/SF/year (\$) | Same as initial rent |
| Lessee's Additional Rent | The cost of all repairs, services and utilities except for water/sewer charges, snow removal and lawn care. Lessee is responsible for roof repairs. Lessee is not obligated to pay for structural repairs. |
| Services Provided @ Lessor's Cost | Water and sewer; snow removal, landscaping. Lessor not responsible for maintenance or repair of any HVAC or other systems/equipment installed by the Lessee. |
| Insurance | Lessee will maintain liability insurance \$1,000,000 occurrence/\$2,000,000 aggregate; and insurance against all risk or loss to any tenant improvement, betterment, personal property, trade fixture. Workers Compensation and Employers Liability coverage shall be maintained in compliance with state law. |
| Assignment & Subletting | Requires prior written consent of Lessor |
| Lease Termination | Lessor may terminate for any reason with 90 days' notice |

RECOMMENDATION: Staff recommends approval of the lease-out to the Connecticut State Employees Federal Credit Union for a five year term for the following reasons:

1. The lease requires the tenant to pay all costs associated with its use and occupancy, except for snow removal, lawn care, and the water and sewer costs.
2. The DAS Commissioner has the authority to lease state-owned buildings for private use when the buildings are not needed for state use and when such action seems in the public interest, and provided the use does not affect the status of any tax-exempt obligations. The Treasurer has determined that the lease will not affect such obligations.
3. The location of the Credit Union on the Carl Robinson campus benefits the DOC employees and retirees.

From their website:

CSP Employees Federal Credit union is a member-owned, non-profit organization whom serves the entire CT Department of Corrections staff and their immediate family members. Originally chartered in 1949 and located in Enfield, CT on the CRCI Property, CSP was once a "One Man Operation". Robert Kupec operated the credit union in its first days out of his suitcase. Over seven decades later, the credit union continues to grow strong. With almost 2,000 members and three (3) employees, we are able to meet numerous banking needs. Our members live from coast to coast and even into their retirement years, continue to allow us to serve them. We consider our credit union staff, volunteers and members as one big family. As we say here, "Once a Member, Always a Member". Come join us and find out why so many CT DOC employees call us "Their Credit Union".

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER – NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #23-074 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #23-074. The motion passed unanimously.

PRB FILE #23-075 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #23-075. The motion passed unanimously.

9. NEXT MEETING – Thursday, June 1, 2023 – will be held solely by means of electronic equipment.

The meeting adjourned.

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