

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On October 11, 2012 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on October 11, 2012 in the State Office Building.

Members Present: Edwin S. Greenberg, Chairman
Bennett Millstein, Vice-Chairman
Mark A. Norman
Pasquale A. Pepe
John P. Valengavich

Members Absent: Bruce Josephy, Secretary

Staff Present: Brian A. Dillon, Director
Mary Goodhouse, Real Estate Examiner

Chairman Greenberg called the meeting to order.

Mr. Valengavich moved and Mr. Norman seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES OF OCTOBER 4, 2012. Mr. Norman moved and Mr. Valengavich seconded a motion to approve the minutes of October 4, 2012. The motion passed unanimously.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE- NEW BUSINESS

PRB #	12-244	Transaction/Contract Type: RE / Lease
Origin/Client:	DOT / DOT	
Project Number:	161-087-037A	
Second Party:	Hoffman Landscapes, Inc.	
Property:	Adjacent to 647 Danbury Road aka State Route 7, Wilton	
Project Purpose:	DOT, Lease Agreement No. 10.24-03(11)	
Item Purpose:	Lease of approximately 39,836± SF of vacant land to Second Party for parking of motor vehicles, trucks and storage of materials used for its landscape business.	

Ms. Goodhouse reported that DOT proposes to lease 39,836 SF abutting 647 Danbury Road, Wilton to Hoffman Landscapes, Inc. ("Hoffman") for the purpose of parking motor vehicles and storage of materials used in its business. The parcel is described as a gravel and dirt area, with a grass buffer and some trees, with mostly level topography. Access is from 647 Danbury Road, also owned by DOT and occupied by Hoffman. This adjacent site is 2.24 acres, with a building that was formerly a DOT garage, leased since 1998 to High Technology Industries and used by its tenant, Hoffman (*PRB File #97-576*). Hoffman currently pays DOT a monthly rent of \$4,500.

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The site is located in the northern portion of Wilton, near the Ridgefield/Redding town boundaries. The rental rate is based on a DOT appraisal that estimates market value of the lease parcel, rear land, at approximately \$350,000/acre (\$8.00/SF). The appraiser chose 8% as a rate of return to determine the annual rent. Contemporary real estate investor surveys indicate that 8% is a supportable rate of return for vacant land. The rent for this parcel will be \$25,200/annum. The lease is a standard DOT lease agreement with a 5 year term and two options to renew the lease through 12/31/2027, subject to rate adjustment as established by appraisal.

SPRB staff recommended approval of the item, noting that DOT has authority to lease any land and buildings owned by the state and obtained for or in connection with highway purposes which real property is not necessary for such purposes; DOT must retain properties for possible future improvements to the Route 7 Corridor and the lease agreement provides the tenant's use of the property, generating income for the state; the subject lease and adjacent lease rates together are \$6,600/month (\$79,200/year), which rates are supported by a DOT appraisal; the Town of Wilton will benefit from additional property tax revenue; and the lease can be terminated without cause with 30 days notice.

PRB #	12-247	Transaction/Contract Type: RE / Voucher
Origin/Client:	DOT / DOT	
Project Number:	171-305-110A	
Grantor:	William E. Howard IV et al	
Property:	1420 Park Street, Hartford	
Project Purpose:	Parkville Streetscape Project	
Item Purpose:	Acquisition of 499± SF easement for highway purposes and 978± SF easement for temporary work area for the purpose of constructing a retaining wall.	

Ms. Goodhouse reported that the New Britain-Hartford Busway is a 9.4 mile corridor planned along the rail corridor linking downtown New Britain with Hartford's Union Station. DOT has 120 acquisitions (partial and total takings) planned. The design for the Busway and for the Parkville Streetscape Project includes improvements within a radius of the bus stop for Park Street. The project extends for 1,450 linear feet, between Sisson Avenue and Pope Park Highway No. R. The project will create two 11 foot wide travel ways with a 5 foot bike land on each side of the street. Where feasible, the existing street will be "cut-in" and sidewalks will be widened to create a streetscape. The sidewalks will be concrete with concrete paver edging. New handicap ramps, trees, light poles & trash receptacles will be installed and certain existing lighting will be replaced.

1420 Park Street, Hartford, the subject property, is zoned Industrial I-2, and contains 38,725 SF (.889 acres), with 287.53 of frontage along the north side of Park Street, and 393.98 linear feet along the active rail line. The site is triangular in shape, and improved with a 10,010 GBA warehouse (masonry) constructed in 1965. The subject's use for a storage warehouse facility conforms to zoning.

DOT will acquire a temporary work area of 978 SF and an easement for highway purposes of 499 SF located along the Park Street frontage. The easement area measures about 7 feet x 72 feet.

SPRB staff recommended Board suspension of this item so that DOT may provide additional information on the Estimate of Compensation, which concluded that compensation should be made at the rate of \$14.00/SF. At this site, on 7/15/2010 the Board approved the DOT acquisition of an easement for transportation purposes along the subject property's 393.98 linear feet boundary with the active rail line.

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The acquisition was based on an appraisal report that concluded a lower site value than the current valuation, and it is recommended that DOT provide the rationale in support of the current valuation.

PRB # 12-253 **Transaction/Contract Type:** RE / Assignment
Origin/Client: DOT / DOT
Project Number: 39-94-1A
Grantee: Town of East Granby
Property: Floydville Road, East Granby
Project Purpose: Assignment of Land to the Town of East Granby
Item Purpose: Assignment of approximately 2,358± SF of land to the Town of East Granby for highway purposes in connection with the Rehabilitation of Bridge No. 04447 on Floydville Road over Salmon Brook.

Mr. Dillon recommended Board approval for the release of this real estate. The conveyance complies with Section 13a-80 of the CGS governing the release of excess property by the commissioner of transportation. The descriptions in the Quit-Claim to release the real property are consistent with the descriptions in the DOT acquisition deeds.

In 2005 DOT acquired two parcels of land in connection to the proposed Replacement of Bridge No. 04447 on Floydville Road over the Salmon Brook Project in East Granby. Under the project Agreement, No 03.15-01(06) for Federal Project BRZ-6039(3), Section 9 requires that “That all properties and rights acquired within the highway lines will be released to the municipality for highway purposes upon completion of the project.” In 2011, the project was completed and DOT began the process of assigning the acquired real estate parcels within the project area back to the Town of East Granby. The areas to be released comprise two (2) separate parcels acquired from the River Bend Associates Inc. for the project. This is a release along a town street for highway purposes only.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

PRB# 12-246 **Transaction/Contract Type:** AE / Amendment
Project Number: BI-RC-339 **Origin/Client:** DCS/CSUS
Contract: BI-RC-339-ENG Amendment #2
Consultant: Lawrence Mechanical, P. C.
Property: Central Connecticut State University
Project Purpose: Campus Wide HVAC Improvements Project
Item Purpose: Amendment #2 to compensate the consultant for expanded construction administration services required for the remainder of the Phase II Project and the upcoming Phase III Project.

Mr. Dillon reported that the original scope of services for Lawrence Mechanical P.C. (“LM”) included increasing the cooling capacity of the new campus energy center by adding 1,500± tons of new chiller capacity, two 2,000 ton cooling tower sections and modifying the electrical power distribution system accordingly. Additionally, the project scope included the removal of 7 previously decommissioned packaged air-cooler chillers that served 5 campus buildings and also intended for LM to size and extend new chilled water piping to 8 existing buildings and size new subsurface chilled water piping for air conditioning two future buildings. Previously decommissioned steam boilers in the old Power House are to be demolished and remove inclusive of auxiliary equipment, electrical switchgear and a transformer.

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DPW authorized LM to prepare 3 separate bid packages and base the design on a construction budget of \$3,810,000. (Total project budget is \$5,376,000.) The original contract for \$479,000 with Lawrence Mechanical, P.C. was approved 9/25/08 (PRB #08-277).

Since the initial contract was executed, the Board has approved Commission Letter #1 (#09-323), Amendment #1 (#10-215) and most recently Commission Letter #2 (#11-059). As such, the current value of LM's contract for this project is \$716,344. Phase I of the Project has already been completed. Phase II is currently ongoing; is more than 60% complete and is expected to be completed by April 2013. Phase III is currently out to bid and is expected to be completed by September 2013.

Contract Amendment #2 will (1) increase from \$3,810,000 to \$4,304,173; (2) increase the Engineer's total fee by \$100,000 from \$716,344 to \$816,344. The increase is allocated to Section G Expanded Construction Administration Phase line item of the contract.

Mr. Dillon recommended that SPRB suspend consideration of Contract Amendment #2 in order to receive additional information from DCS concerning expanded project construction administration services.

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #12-244 - Mr. Norman moved and Mr. Millstein seconded a motion to approve PRB File #12-244. The motion passed unanimously.

PRB FILE #12-246- Mr. Norman moved and Mr. Valengavich seconded a motion to suspend PRB File #12-246, pending receipt of additional information from the Department of Construction Services. The motion passed unanimously.

PRB FILE #12-247 - Mr. Norman moved and Mr. Millstein seconded a motion to suspend PRB File #12-247, pending the receipt of additional information from the Department of Transportation. The motion passed unanimously.

PRB FILE #12-253 – Mr. Valengavich moved and Mr. Millstein seconded a motion to approve PRB File #12-253. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____
Bruce Josephy, Secretary