

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On December 17, 2012 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on December 17, 2012 in the State Office Building.

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

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

Chairman Greenberg called the meeting to order.

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

OPEN SESSION

ACCEPTANCE OF MINUTES OF DECEMBER 10, 2012. Mr. Norman moved and Mr. Valengavich seconded a motion to approve the minutes of December 10, 2012. The motion passed unanimously.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE- NEW BUSINESS

PRB # 12-304 **Transaction/Contract Type:** RE / Assignment
Origin/Client: DOT / DOT
Project Number: 102-022-003B
Grantee: STLJ, LLC
Property: 80 Westport Avenue, Norwalk
Project Purpose: Release of Drainage Easement
Item Purpose: Release of approximately 2,469 ± SF of drainage right of way to STLJ, LLC located on property owned by STLJ, LLC at 80 Westport Avenue, Norwalk.

Mr. Dillon recommended release of this real estate to the Grantee. 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 description in the DOT acquisition deeds.

In March 2011, DOT received a petition from STLJ, LLC (“STLJ”) the operator of Stew Leonard’s in Norwalk for the possible acquisition of property that STLJ currently encroaches along State Route 1 and a drainage right of way located on the premises of the retail facility. DOT reviewed the request and subsequently rejected the request to sell the encroached area along Route 1 but instead endeavored to lease the property to STLJ.

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DOT then conducted an internal evaluation of the drainage right of way (“DROW”) and concluded that it could be conveyed to STLJ without consideration since it will relieve the State of the ongoing liability to maintain the system. Furthermore, DOT confirmed that the initial acquisition in 1939 was for the development of an open channel drainage ditch which feed into a 12” concrete drainage pipe at the southern portion of the site. As such, DOT concurred that there is no longer a need to hold the DROW and that it can be released while the rights to “discharge stormwater on the owner’s premises” shall remain in effect as stated in the 1939 agreement.

PRB # 12-306 **Transaction/Contract Type:** RE / Assignment
Origin/Client: DOT / DOT
Project Number: 79-206-2B
Grantee: City of Meriden
Property: Various areas along North Colony Street, Meriden
Project Purpose: Assignment of Land to the City of Meriden
Item Purpose: Assignment of approximately 19,453 ± SF of land, and 14,243 ± SF of easement area to the City of Meriden for highway purposes in connection with the Reconstruction of North Colony Street Project.

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 DOT acquisition deeds.

From 2001 through 2003 DOT acquired various rights on twenty-one (21) parcels of land in connection to the proposed Reconstruction of North Colony Street Project in Meriden. Under the project Agreement, No 4.23-01(99) for Federal Project STPN-1079(101), Section 11 requires that “That all properties and rights acquired for the construction of said project that are within the highway lines will be released to the municipality for highway purposes upon completion of the project.” The project has since been completed and DOT has begun the process of assigning the acquired real estate parcels within the project area back to the City of Meriden. This is a release along a town street for highway purposes only.

PRB # 12-310 **Transaction/Contract Type:** RE / Lease Renewal
Origin/Client: DAS/JUD
Project Number: LP 12-05
Lessor: 225 Spring Street Associates, LLC
Property: 225 Spring Street, Wethersfield
Project Purpose: Lease Renewal with Amendment for Court Operations Administration
Item Purpose: Lease Renewal for 5-years with an amendment for a reduced renewal rate in addition to a credit for waiving painting and carpeting requirements for the subject premises totaling 10,206 NUSF and also including 32 parking spots.

Ms. Goodhouse reported that DAS on behalf of the Judicial Branch seeks approval of a five-year lease renewal for the 4th floor of office space at 225 Spring Street, Wethersfield for the Office of Victim Advocate. The table shows the initial and amended lease terms:

Item	Base Lease PRB #06-164	Amendment PRB #12-310
Premises	4 th floor, 225 Spring Street,	Same

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	Wethersfield	
Leased Area	10,206 SF (gross area)	Same
Parking Spaces	32 on site	Same
Lease Term, Initial	12/06/2007 – 12/5/2012	Same
Fixed Base Rent	\$15.50/RSF	Same
Annual Base Rent	\$158,193.00	Same
Additional Rent	Heat, hot water, electric, interior custodial & pest, tube replacement, 25% of real estate taxes above base year	Same
5 Year Renewal (12/2012)	\$181,921.95 \$17.83/SF (+15% over initial term)	Reduced to \$162,581.64 \$15.93/SF , which rate includes rental credit of \$37,228.22 (\$0.73/SF) for a total of \$16.66/SF , (+7.5% over initial term)
2 nd 5 Year Renewal (12/2017)	\$20.50/SF (+15% over 1 st renewal)	Reduced to \$174,775.32 \$17.12/SF (+2.76% over \$16.66/SF)
Carpet & Paint	At renewal	Included in 12/2012 renewal rate is credit of \$37,228.22 (\$0.73/SF), waiving new carpet & paint at current renewal only. Lessor obligated to repaint/recarpet at 12/2017 renewal.

In 2007, Judicial relocated this office from premises at Cooke Street, Plainville and commenced leasing the 4th floor (PRB #06-164). The Lessor provided \$192,000 (\$18.81/SF) for tenant improvements. The initial rate of \$15.50 included Lessee payments for paint and carpet replacement. Judicial has waived the requirement, and \$37,228.22 (\$3.65/SF) will be credited back to the state over the 5 year renewal term ($\$3.65 \div 5 \text{ years} = \$0.73/\text{SF}$).

The Judicial Branch occupies the entire 4 story, Class B office building. In December 2011, the Board approved the same base rental rate of \$16.66/SF for floors 1-3 (PRB #11-210). At that time, at the Board's request, DAS Leasing completed a survey of 8 comparable properties in the immediate market area. The asking rents, electricity included, ranged from \$16.00/RSF to \$22.50.

Ms. Goodhouse recommended Board approval:

1. The lease renewal rate of \$16.66/SF is within the parameters of the asking rates in this market.
2. The Lessor will credit \$0.73/SF in lieu of paint and carpet, for an effective rate of \$15.93/SF.
3. The State Facility Plan approves 10,206 SF for this office; the Lease Amendment was approved by OPM on 11/28/2012.
4. Complete documentation has been provided.

Mr. Josephy moved and Mr. Norman seconded a motion to go out of Open Session and into Executive Session. The motion passed unanimously.

EXECUTIVE SESSION

PRB # **12-319-A** **Transaction/Contract Type:** AG / Purchase of Develop. Rights
Origin/Client: DOA / DOA

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Statutory Disclosure Exemptions: 1-200(6) & 1-210(b)(7)

The Board commenced discussion of the purchase of development rights at 9:40 a.m. and concluded at 9:46 a.m.

PRB # 12-326 **Transaction/Contract Type:** Lease- Purchase Agreement
Origin/Client: DAS/ JUD

Statutory Disclosure Exemptions: 4b-23(e), 1-200(6) & 1-210(b)(24)

The Board commenced discussion of the Lease – Purchase Agreement at 9:47 a.m. Mr. Ronald Macchio, Judicial Branch Facilities Manager and Mr. Shane Mallory, DAS Administrator of Leasing and Property Transfer, joined the meeting at 9:55 a.m. The discussion of the item concluded and Messrs. Mallory and Macchio left the meeting at 10:17 a.m.

Mr. Josephy moved and Mr. Norman seconded a motion to go out of Executive Session and into Open Session. The motion passed unanimously.

OPEN SESSION

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #12-304– Mr. Valengavich moved and Mr. Norman seconded a motion to approve PRB File #12-304. The motion passed unanimously.

PRB FILE #12-306 - Mr. Pepe moved and Mr. Valengavich seconded a motion to approve PRB File #12-306. The motion passed unanimously.

PRB FILE #12-310 - Mr. Norman moved and Mr. Millstein seconded a motion to approve PRB File #12-310. The motion passed unanimously.

PRB FILE #12-319 - A - Mr. Valengavich moved and Mr. Norman seconded a motion to suspend PRB File #12-319 – A, pending but not limited to the results of a site inspection. The motion passed unanimously.

PRB FILE #12-326 - Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #12-326. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____

Bruce Josephy, Secretary