

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On March 4, 2013 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on March 4, 2013 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 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 FEBRUARY 25, 2013. Mr. Norman moved and Mr. Valengavich seconded a motion to approve the minutes of February 25, 2013. The motion passed unanimously.

Chairman Greenberg indicated that the agenda item for discussion of "Real Estate – Unfinished Business" would be taken up after the discussion of the new business items.

REAL ESTATE- NEW BUSINESS

PRB # 13-025 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: Capitol Sausage and Provisions, Inc.
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-13 through A-17 comprising approximately 10,800 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities.

PRB # 13-026 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: Heart of Harvest, Inc.
Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-8 through A-12 comprising approximately 10,800 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and

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other agricultural commodities

PRB # 13-027 **Transaction/Contract Type:** RE / Lease
Origin/Client: DoAG/DoAG
Lessee: FoodShare, Inc.

Property: Connecticut Regional Market, 101 Reserve Road, Hartford, CT
Project Purpose: Connecticut Marketing Authority Stall Lease at the Regional Market
Item Purpose: Agreement for the rental of stalls A-29 through A-31 comprising approximately 8,640 SF in total for a 3-year term with one 3-year renewal. The stalls shall be used for the wholesale selling of produce, fruit, dressed poultry, meats, eggs and other agricultural commodities

The Hartford Regional Market ("Market") is a State owned and operated non-profit facility created by the State Legislature to promote State agricultural products for the economic benefit of agricultural producers and public through the development of existing farmers' market facilities, including land and buildings by purchase and/or construction. The Market runs under the aegis of the CMA, the Connecticut Market Authority. CGS 22-64 authorizes the CMA to lease land or markets under its control, subject to the approval of the State Properties Review Board. Currently the CMA is preparing 3 year leases, with one 3 year renewal option for 76 wholesale stalls in Buildings A, B & C. The CMA has established a rental rate of \$4.27/SF for stalls in Buildings A & C; and \$4.07/SF for Building B due to a loss of functional utility caused by a ground lease at the rear of Building B. The CMA submittal measures a typical stall as 24' x 90' = 2,160 SF.¹ The rate is scheduled to increase by 3% for renewal term 2016 thru 2018. At 100% occupancy, the potential revenue from Buildings A, B & C is as follows:

Building	Stalls	SF/Stall	Total SF	Rate/SF	Total
A	48	2,160	103,680	\$4.27	\$442,713.60
B	26	2,160	56,160	\$4.07	\$228,571.20
C	2	2,160	4,320	\$4.27	\$18,446.40
TOTAL	76	2,160	164,160	\$4.20	\$689,731.20

Ms. Goodhouse said that the CMA, through the Department of Agriculture, has submitted three leases for Board approval.

Tenant	Capitol Sausage & Provisions, Inc.	Heart of the Harvest, Inc.	Foodshare, Inc.
PRB #	13-025	13-026	13-027
Demised Premises	A-13 thru A-17	A-8 thru A-12	A-29 thru A-31
SF rented/Rental Rate	10,800 SF @ \$4.27/SF	10,800 SF @ \$4.27/SF	8,640 SF @ \$2.13/SF
Annual Rent	\$46,098.60	\$46,098.60	\$18,439.44

¹ According to SPRB records, a typical unit consists of 1,530 SF of enclosed space with front and rear loading docks that measure 480 SF (16' x 30') and 240 SF (8' x 30') respectively, for a total area of 2,250 SF. On this basis, the proposed lease rate, including the docks, is \$4.10/SF. This is a 3% increase over the prior rate of \$3.98/SF.

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A typical stall consists of 2,160 SF of enclosed space with front and rear loading docks. Building A has 48 stalls that are primarily used as warehouse/distribution space. As indicated above, the rental rate for Building A is \$4.27/SF. Foodshare, Inc. receives a 50% subsidy to support its non-profit work.

SPRB Staff recommended that consideration of these agenda items be suspended, pending a site inspection of the Hartford Regional Market.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

PRB#	13-023	Transaction/Contract Type:	AE / Commission Letter
Project Number:	BI-CTC-401	Origin/Client:	DCS/CTC
Contract:	BI-CTC-401-ARC		Commission Letter #10
Consultant:	Fletcher-Thompson, Inc.		
Property:	Three Rivers Community College, Norwich		
Project Purpose:	Consolidation of Three Rivers Community College		
Item Purpose:	Commission Letter #10 to compensate the consultant for additional design and construction administration services associated with separating window replacement and interior door replacement projects due to the identified presence of hazardous materials within the building structure.		

Mr. Dillon reported that the project scope includes the construction of 179,000± GSF of new academic/office/support space, the renovation of 101,100± GSF of existing building area and construction of a new 16,000± SF Central Utility Plant for a total project area of approximately 295,600 GSF. Off-site work includes the widening of the New London Turnpike and intersection improvements. Construction and Total Project Budgets are \$65,130,000 (\$220/GSF) and \$88,824,198 (\$300/GSF of building area), respectively.

In 2012 SPRB approved Commission Letter #9 (PRB #12-040) in the amount of \$19,100 to compensate the consultant for the evaluation and sizing for the replacement of all doors in the D, E, & F Wing. The contract amendment also included limited CA services during construction and excluded testing, inspection and evaluation of any hazardous material which was to be coordinated by DCS.

Commission Letter #10 is intended to revise the Fletcher-Thompson, Inc. (FTI) contract from \$5,416,785 to \$5,485,775 for an additional fixed fee contract amount of \$68,990. The overall contract Commission Letter has been requested based upon the following scope revisions: (1) due to the discovery of hazardous building materials, DCS has requested that FTI separate the window and door replacement projects into two separate contracts. In addition, FTI will incorporate the handrail project into the interior door project; and (2) the overall fee revision will reflect additional services to the construction document phase for separating the plans/specifications, the bid phase for having to bid two projects versus one as well as extended CA services for the longer duration construction period which is envisioned based on the separation of the projects.

Mr. Dillon recommended that the SPRB approve Commission Letter #10 for Fletcher Thompson Inc to provide additional design and CA services caused by the separation of bid packages due to the discovery of hazardous materials.

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REAL ESTATE- UNFINISHED BUSINESS

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

EXECUTIVE SESSION

PRB # **13-005** **Transaction/Contract Type:** Purchase & Sale Agreement
Origin/Client: DAS/ DAS

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

The Board commenced its discussion of the proposed Purchase & Sale Agreement at 9:45 a.m. At 10:45 a.m. the Board invited the following to join the Board, still in Executive Session: DAS Commissioner Donald DeFronzo; Attorney Erin Choquette (DAS), Shane Mallory (DAS), Patrick O'Brien (OPM) and Paul Hinsch. At 11:15 a.m. Attorney Choquette and Messrs. DeFronzo, Mallory, O'Brien and Hinsch left the meeting. The Board concluded its discussion of the proposed Agreement at 11:30 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

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #13-005 - Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #13-005, with the approval to include the following statement: **SPRB acknowledges that the approval of this agreement does not provide adequate parking for the State's occupancy at this building. Section 9.1(e) of this agreement allows the State 90-days to obtain suitable parking or possibly terminate the agreement. Consistent with this approach it is envisioned that OPM and DAS will be returning to the Board within 90-days of this submittal's effective approval date to submit an additional parking agreement for review and approval by the Board. This submittal shall address the identified parking deficit for the occupancy of this building.**

PRB FILE #13-023 - Mr. Valengavich moved and Mr. Norman seconded a motion to approve PRB File #13-023. The motion passed unanimously.

PRB FILEs #13-025, #13-026 & #13-027 - Mr. Norman moved and Mr. Valengavich seconded a motion to suspend PRB File #13-025, #13-026 & #13-027, subject but not limited to the results of a site inspection. The motion passed unanimously.
The meeting adjourned.

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