

## STATE PROPERTIES REVIEW BOARD

### Minutes of Meeting Held On October 17, 2022 – 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 October 17, 2022 remotely via telephone conference at (866)-692-4541, passcode 85607781.

#### **Members Present:**

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

#### **Members Absent:**

#### **Staff Present:**

Dimple Desai  
Thomas Jerram

#### **Guests Present**

Robert McGarry, First Selectman – Town of Haddam  
Brian Dillon, JUD  
Shane Mallory, DAS

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 October 11, 2022 Meeting and October 13, 2022 Special Meeting. The motion passed unanimously.

#### **2. COMMUNICATIONS**

Director Desai informed Board Members about DAS actions with respect to PRB #22-164 and a renewal of a Lease for that location.

Staff presented the Board with a monthly voucher statement pursuant to CGS 13a-73(h) identifying DOT real estate acquisitions for less than \$5,000.

#### **3. REAL ESTATE- UNFINISHED BUSINESS**

Mr. Valengavich moved and Mr. Greenberg seconded a motion to go out of Open Session and into Executive Session at 9:44. The motion passed unanimously. Mr. Dillon from the Judicial Branch and Mr. Mallory from the Department of Administrative Services were invited to attend the Session. Both left the Meeting at 10:11.

**EXECUTIVE SESSION**

**PRB #:** 22-162  
**Transaction/Contract Type:** RE/ Amendment  
**Origin/Client:** DAS/JUD

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

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 10:16. The motion passed unanimously.

**OPEN SESSION**

**4. REAL ESTATE – NEW BUSINESS**

**PRB File #:** 22-154  
**Transaction/Contract Type:** RE –Release  
**Origin/Client:** DOT/DOT  
**DOT Project #:** 60-000-86D  
**Grantee:** Town of Haddam  
**Property:** Haddam, Candlewood Hill Rd (11)  
**Project Purpose:** Release of 5.1 Acres of Land  
**Item Purpose:** QC Deed

Mr. Mc. Garry, First Selectmen of the Town of Haddam, joined the Meeting at 9:30 to participate in the Board’s discussion of this Proposal. He left the Meeting at 9:43.

**CONVEYANCE FEE: \$325,000 (+ Administrative Fee = \$1,000)**

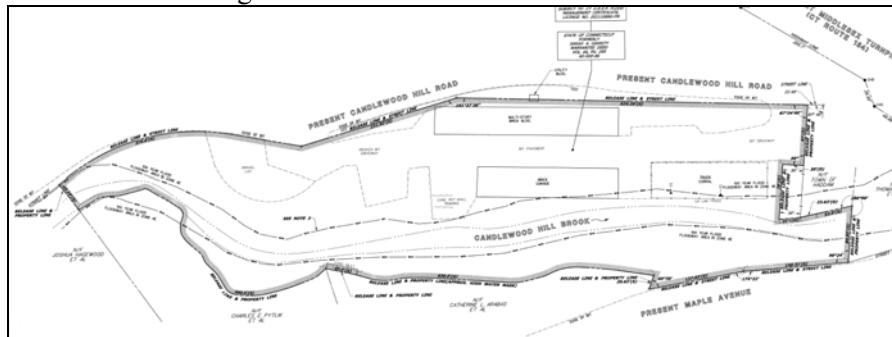
Under this Proposal (PRB #22-154), DOT is seeking SPRB approval to release a parcel of land containing 5.10 acres to the Town of Haddam for future economic development. The subject parcels will be conveyed to the Town for \$325,000, plus an administrative fee of One Thousand Dollars (\$1,000.00). The property is a former state highway garage, has environmental issues and is sold “as-is,” “where-is,” condition with “all faults and defects.”



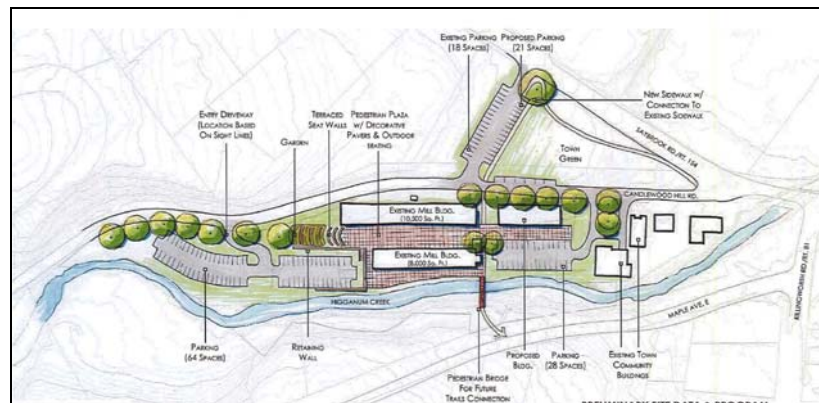


Courtesy: Google Maps

The property was acquired by the Department of Transportation in 1941 for the construction of a maintenance facility. A portion of the land is subject to a 100-year flood zone and use within that area is restricted by a DEEP Flood Management Certificate.



Release Map identifying areas subject to flood zone.



Haddam Preliminary Redevelopment Option

The Appraisal is subject to the following Extraordinary Assumption and Hypothetical Conditions.

**Extraordinary Assumptions:** None

**Hypothetical Conditions:**

**The subject property is contaminated per DOT. Cleanup cost have been estimated. Please refer to DOT file. This appraisal is based upon a hypothetical assumption that the subject property is not contaminated. This appraisal assumes the subject property is “free and clean” of any hazardous contamination. In addition, it should be noted that per DOT information, all underground fuel tanks have already been removed. If this assumption is proven to be different, I reserve the right to change my opinion of value.**

**Appraisal Report** –With the release of this Parcel, DOT Appraiser Michael Aletta estimated the market value of the site as of May 6, 2020. The Appraiser considered the following three comparable sales in the greater market area:

IMPROVED SALES SUMMARY OF ADJUSTMENTS							
ITEM	SUBJECT 11 Candlewood Hill Road Haddam (Non-Route)	COMPARABLE #1 13 Fedeshen Lane Street Colchester (Non-Route)	COMPARABLE #2 21 Skinner Street East Hampton (Non-Route)	COMPARABLE #3 4 New Lane Cromwell (Non-Route)			
<i>Unadjusted Sale Price</i>	N/A	\$243,000		\$205,000		\$300,000	
<b>ADJUSTMENTS</b>	<b>DESCRIPTION</b>	<b>DESCRIPTION</b>	<b>+/- ADJ.</b>	<b>DESCRIPTION</b>	<b>+/- ADJ.</b>	<b>DESCRIPTION</b>	<b>+/- ADJ.</b>
<b>PROPERTY RIGHTS CONVEYED</b>	Fee Simple	Fee Simple/Warr		Fee Simple/Warr		Fee Simple/Warr	
<b>FINANCING</b>	N/A	Cash/Conventional/ Market		Cash/Conventional/ Market		Cash/Conventional/ Market	
<b>CONDITIONS OF SALE</b>	Arm's Length	Arm's Length		Arm's Length		Arm's Length	
<b>MARKET CONDITIONS</b>	As of 5/6/2020	As of 9/27/2019	0	As of 12/21/2017	+10%	As of 5/1/2018	+10%
<b>ADJUSTED SALE PRICE</b>		\$243,000		\$225,500		\$330,000	

After adjusting for transactional, locational and physical characteristics, the Appraiser concluded the fair market value of the subject property was \$325,000, or \$17.50/sf (rounded).

### Release Summary

DOT provided the following narrative in support of this conveyance:

On February 3, 2020, the Town sent a letter to the Department stating its interest in pursuing the conveyance of the subject State property to the Town for redevelopment.

The subject property does appear to qualify as an Establishment under Section 22a-134 of the Connecticut General Statutes. Therefore, the Town acknowledged the complex environmental issues with the development of the subject property and had applied for remediation funding through the Department of Economic and Community Development's (DECD) Municipal Brownfield Grant program. In addition to the environmental contamination, a portion of the subject property falls within the 100-year flood plain and therefore required a Flood Management Certificate from DEEP.

On May 6, 2020, an appraisal prepared by Staff Appraiser Michael Aletta, established a fair market value of \$325,000.00. On August 5, 2020, the property was offered to the Town for a sale price of \$326,000.00 (which included a \$1,000.00 administrative fee). The Town agreed to the sale price and in August 2020, the Town received \$225,000.00 of funding from DECD to complete the environmental investigations. The Town issued an RFQ for consulting firms to conduct the site assessments and the Remedial Action Plan (RAP) and awarded Tighe & Bond.

In April 2021, the Final RAP and all other environmental assessments were completed by Tighe & Bond. The Town proceeded to move forward and submitted a competitive grant application to DECD for \$1.8 million dollars for the removal of the environmental contamination. In June of 2021, the Town received a conditional commitment from DECD that it must secure a private developer to partner with the Town to carry out the redevelopment project at the private developer's own expense.

July 2021, the Town accepted the \$1.8 million DECD funding for the remediation and began its RFQ process for interested developers. In September 2021, the Town received its proposal from the developer, Parker Benjamin, to redevelop the subject property and proceeded with the application to DEEP for entry into the Municipal Brownfield Liability Program.

The Town has been working with DECD in finalizing the financial assistance proposal and the developer will be funding the redevelopment project. Town funds will be used for the purchase of the State-owned property.

Since the DOT property was offered to the Town for \$326,000.00 (including \$1,000.00 administrative fee), the Town has been performing its due diligence. The due diligence funded by DECD amounts to more than \$2 million dollars. Therefore, DOT does not see the value of updating the appraisal since the State as a whole has funded much of this project.

The subject property will be released to the Town for a sale price of \$326,000.00 (includes a \$1,000.00 administrative fee).

**Recommendation** – Staff recommend approval of the proposed release of the former highway garage in the amount of \$325,000 (plus \$1,000 Admin Fee) for the following reasons:

- The proposed sale complies with Sections §3-14b(b), and §13a-80 of the CGS in that the legislative delegation received their required notice for this release on October 7, 2021;

- The release value of \$325,000 is reasonable in that it represents 100% of the appraised value and it will eventually return the property to the Town of Haddam rolls and relieve the State of all future expenses;
- The description in the Quit Claim Deed is consistent with the compilation map to be filed in the Town of Haddam Land Records.

**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 those Members that attended the Special Meeting - Site Visit on Thursday, 10-13-22. Mr. Valengavich moved and Mr. Halpert seconded a motion to approve Board Fees and Mileage for Thursday's Site Visit. The motion passed unanimously.

**8. VOTES ON PRB FILE:**

**PRB FILE #22-162** – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-162. The motion passed unanimously.

**PRB FILE #22-154** – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-154. The motion passed unanimously.

**9. NEXT MEETING** – Thursday, October 20, 2022.

The meeting adjourned.

**APPROVED:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
John Valengavich, Secretary