

STATE PROPERTIES REVIEW BOARD

**Minutes of Meeting Held On February 10, 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 February 10, 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

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 February 7, 2022 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai provided an update that the Board has not received a response from DoAg and also that he has scheduled a meeting with Dep. Commissioner Petra from DCS for Thursday, February 17, 2022.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB File #: 22-006
Transaction/Contract Type: RE – Administrative Settlement
Origin/Client: DOT/DOT
DOT Project #: 110-136-006
Grantor: Thomaston Savings Bank
Property: Plymouth, Main St (203)
Project Purpose: Major Intersection Improvements on Route 6 at North Main Street & Agney Avenue
Item Purpose: Administrative Settlement

DAMAGES: \$2,550.00 (\$14,550 damages less \$12,000 sale by Abutter Bid)

DOT PROJECT: The purpose of the project is to correct operational and safety deficiencies at the intersections of Route 6 with South Main Street, North Main Street, and Agney Avenue. The proposed

improvements will include realignment of North Main Street to form a normalized four-legged intersection with Main Street opposite Agney Avenue. This new intersection will be signalized. In addition, left-turn lanes will be provided in both directions of Route 6 at the new North Main-Agney Avenue intersection; and on Route 6 westbound at South Main Street and eastbound at the Woods Court driveway. On-street parking will be provided along Route 6 on various locations.

There are right-of-way impacts associated with the proposed improvements. It is anticipated that approximately five sliver acquisitions and one total acquisition will be required to accommodate widening and sidewalk construction along Route 6, North Main Street and Agney Avenue. In addition, several slope and construction easements will be required.

Construction is anticipated to begin in spring 2022 based on the availability of funding, acquisition of rights of way and approval of permit(s). The estimated construction cost for this project is approximately \$ 5.3 million. This project is anticipated to be undertaken with eighty percent (80%) federal funds and twenty percent (20%) state funds.

SITE DESCRIPTION: The subject site is a rectangular-shaped, 23,522 sq.ft. (0.54 acre), parcel with 172.9' of frontage on the south side of Main Street and 137.3' of frontage on the west side of Agney Ave. The site is located in the C-Village zone and conforms to zoning requirements.

The subject is improved with a 2,776 sq.ft. single-tenant bank branch building occupied (owner) by Thomaston Savings Bank. constructed in 1955. The site is improved with a paved parking lot, landscaping, fencing, sprinkler heads and exterior lighting. The site improvements are in average overall condition.

The Appraiser opines the highest and best use of the site as vacant is development with a bank branch and as improved is continued bank branch use (no alternative use to exceed existing use).





(Source: Google Maps)

VALUATION: The DOT appraisal was completed April 12, 2021 by Independent Appraisers Vincent O’Brien and Michael Fazio (Kerin & Fazio).

Land Valuation: Based on the sales comparison approach, the appraiser considered three sales (2017-2021) of similarly zoned, with a similar highest and best use, and concluded that the fair market value of the subject land was \$4.50/sf, calculated as follows:

Item	Calculation	Value
Land Valuation	23,522 sf x \$4.50/sf	\$105,851
	Rounded	\$106,000

The Appraiser utilized Marshall Valuation Service to estimate the value of all site improvements at \$40,000.

The town assessment records indicate the value of the land is \$104,000, or \$4.42/sf (100% value) based on a 2016 town-wide revaluation.

Building Valuation

Sales Comparison Approach: The appraiser analyzed four sales of similar multi-tenant commercial buildings in Bristol and Southington (2018-2021) and concluded that the fair market value of the subject property was \$300/sf x 2,776 sf = \$832,800, rounded to \$830,000.

	Subject	Sale # 1	Sale # 2	Sale # 3
CompID	10417	10423	10424	10426
Name				
Address	203 Main Street	888 Farmington Avenue	8 East High Street	525 Middle Turnpike West
City	Plymouth	Bristol	East Hampton	Manchester
Recording Date	N/A	8/31/2020	9/11/2019	9/9/2020
Sale Price	N/A	\$670,000	\$1,375,000	\$2,050,000
GBA	2,776	2,492	3,156	3,725
Year Constructed	1955	1975	1984	2006
Site Size	0.54	0.48	1.02	1.35
Traffic Count	15,067	18,544	12,368	13,267
Land to Building Ratio	8.47	8.39	14.08	15.79
Parking Ratio (per 1,000 SF)	7.93	8.03	7.29	5.64
Price/SF GBA	N/A	\$268.86	\$435.68	\$550.34

Income Capitalization Approach: The Appraiser analyzed three rentals as follows:

Property Type	Retail	Bank Branch	Mixed Use
GBA	6,000	2,209	17,524
Year Built	1980	2018	1974
Land Acres	1.20	0.41	1.87
Land to Building Ratio	8.71	8.08	4.65
Leased Area (SF)	1,800	2,100	2,632
Lease Date	11/19/2020	12/11/2020	1/1/2018
Reimbursement Type	NNN	NNN	NNN
Lease Remarks	Bank branch end-cap space.	Free standing bank branch.	Lease renewal. Initial rent in modification stable for 3 years then escalating at 3% annually. Two 5-year options with 2% annual escalations.
Lease Rate per SF	\$25.00	\$20.00	\$13.35
Adjusted Lease Rate per SF	\$25.00	\$20.00	\$13.35

The appraiser concluded the fair market rental value of the space within the subject property was as follows:

Rental Income	Annual	Per SF	% of PGI
Bank Branch (2,776 SF at \$22.00/SF)	\$61,072	\$22.00	100.0%
Total Rental Income	\$61,072	\$22.00	100.0%
Potential Gross Income	\$61,072	\$22.00	100.0%

After fully supporting market-based vacancy, operating expenses and capitalization rate, the Appraiser estimated Net Operating Income and market value as follows:

Rental Income	Annual	Per SF	% of PGI
Bank Branch (2,776 SF at \$22.00/SF)	\$61,072	\$22.00	100.0%
Total Rental Income	\$61,072	\$22.00	100.0%
Potential Gross Income	\$61,072	\$22.00	100.0%
Less Vacancy & Collection Loss (5.0%)	(\$3,054)	(\$1.10)	-5.0%
Effective Gross Income	\$58,018	\$20.90	95.0%
Operating Expenses	Annual	Per SF	% of EGI
Management Fees	\$2,901	\$1.05	5.0%
Replacement Reserve	\$694	\$0.25	1.2%
Total Expenses	\$3,595	\$1.30	6.2%
Net Operating Income	\$54,423	\$19.61	93.8%
Direct Capitalization Summary			
Net Operating Income			\$54,423
Divided By Overall Rate			6.50%
Capitalized Value Indication			\$837,284
Rounded (\$302.59 per SF)			\$840,000

Reconciliation and Value Conclusion - Before

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$106,000
Income Capitalization Approach – Building	\$840,000
Sales Comparison Approach Building	\$830,000
Conclusion of Market Value	\$835,000

TAKING DESCRIPTION:

DOT requires acquiring the following:

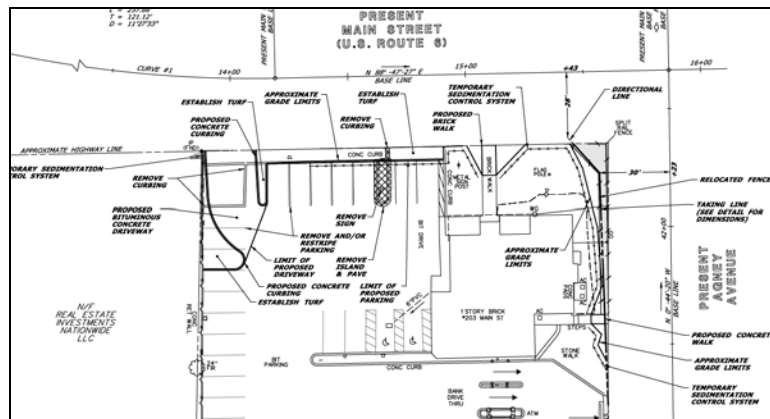
- 301 square foot taking area
- 1,797 square foot right to grade and construct driveway and parking, establish turf, and remove island curbing, and sign
- 196 square foot right to grade
- 196 square foot right to construct brick walk
- 82 square foot right to construct concrete walk

- 79 linear foot right to relocate fence
- 213 linear foot right to install sedimentation control system

IMPACT OF THE TAKING:

The Connecticut DOT proposes to take 301 square feet of land located along the subject’s eastern frontage on Agney Avenue and along the subject’s corner of Main Street and Agney Avenue. The Connecticut DOT will relocate the existing driveway on Main Street to the western portion of the subject site along Main Street. The relocation will result in the loss of 4 parking spaces on the western portion of the subject and the addition of 3 parking spaces at the location of the existing driveway on Main Street. There will be a net loss of 1 parking space. In addition to the permanent loss of 1 parking space, 9 parking spaces will be temporarily lost during the one-month (4 weeks) construction period. The Taking and relocation of the driveway will also result in the loss of landscaped areas on the northwest and northeast corners of the subject site. Additionally, 5 sprinkler heads along the eastern portion of the subject will be lost. Curbing lost during the construction period will be offset by the construction of additional curbing. It should be noted that access to the subject property from Main Street will be maintained during the construction period.

As part of the Taking, the Connecticut DOT will grade and construct a driveway and parking, establish turf, and remove an island, curbing, and a sign, (1,797 square feet), grade 196 square feet, construct a brick walkway (196 square feet), construct a concrete walkway (82 square feet), relocate an existing fence on the eastern portion of the subject property (79 linear feet), and install a temporary sedimentation control system (213 linear feet).



AFTER VALUATION:

The “After” valuation of the subject property is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

EXTRAORDINARY ASSUMPTIONS:

None.

HYPOTHETICAL CONDITIONS:

The methodology used in this report is in the form of a 29 Point “Before” and “After” Appraisal Report format used for eminent domain purposes. The appraisal considers that there is a willing seller in an acquisition by eminent domain and has disregarded any effect on the market value brought on by the State’s project. The appraisal report was based on the hypothetical condition that the proposed road project will be completed as currently proposed, in the Department of Transportation construction plans, on the day after the “as of” date. No other conditions were necessary to arrive at a credible value.

Land Valuation: Based on the sales comparison approach, the appraiser considered the same sales as in the Before Valuation and concluded that the fair market value of the subject land was unchanged at \$4.50/sf, calculated as follows:

Item	Calculation	Value
Land Valuation	23,221sf x \$4.50/sf	\$104,495
	Rounded	\$104,500

The Appraiser estimated the value of all site improvements was decreased by \$5,000 to \$35,000.

After Building Valuation

After Sales Comparison Approach: The appraiser analyzed the same sales as in the Before Valuation and concluded that the fair market value of the subject property was unchanged at \$300/sf and adjusted for the DOT’s acquisitions (land, site improvements and severance) as follows:

Indicated Subject Value		
Concluded Value Per SF GBA	\$	300.00
GBA		2,776
Indicated Value	\$	832,800
Rounded - Before	\$	830,000
Less Taking Area Value	\$	(1,500)
Less Site Improvements	\$	(5,000)
Less Permanent Severance	\$	(7,000)
Rounded - After	\$	816,500

Note: In addition to the value of the site improvements and value of the land within the Taking area, severance damages are also deducted from the indicated Before value via the sales comparison approach. The Taking will cause the subject property to lose 1 parking space permanently. The permanent loss of 1 parking space will permanently impact the subject property (a parking space to substitute for the spaces temporarily lost will need to be acquired).

After Income Capitalization Approach: The Appraiser analyzed the same rentals and concluded that the fair market rental value of the subject property was unchanged and adjusted for the DOT’s acquisitions (land, site improvements and severance) as follows as follows:

Direct Capitalization Summary	
Net Operating Income	\$54,423
Divided By Overall Rate	6.50%
Capitalized Value Indication	\$837,284
Rounded - Before	\$840,000
Less Adjustments	
Less Taking Area Value	(\$1,500)
Less Site Improvements	(\$5,000)
Less Permanent Severance	(\$7,000)
Adjusted Value Indication	\$826,500
Rounded - After (\$297.73 per SF)	\$826,500

Reconciliation and Value Conclusion - After

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$104,500
Income Capitalization Approach – Building	\$826,500
Sales Comparison Approach Building	\$816,500
Conclusion of Market Value	\$821,500

Calculation of Permanent Damages

Item	Value
Before Valuation	\$835,000
After Valuation	\$821,500
Permanent Damages	\$13,500

Calculation of Temporary Damages

The Appraiser then accounted for Temporary Severance Damages as follows:

Temporary Severance Damages

As a result of the relocation of the driveway, the subject property will temporarily lose the use of 9 parking spaces (for the one-month (4 weeks) construction period per the DOT). The reduced parking will temporarily have a negative impact on the property (the market rent for the subject property will need to be reduced to compensate a tenant for the temporary loss of parking).

To determine the temporary severance associated with the 9 temporarily impacted parking spaces, the appraiser concludes a rental rate reduction to compensate a tenant for the temporary loss of parking. The 9 temporarily impacted parking spaces are 41% of the subject's total parking. The loss of 9 parking spaces is estimated to reduce the market rent at the subject property by 20.5% (half of the total percentage of parking to be temporarily lost). Therefore, total severance damages due to the temporarily lost use of the 9 parking spaces are concluded as follows:

Temporary Severance Calculation	
Market Rent (Annual)	\$61,072
% Reduction in Market Rent	20.50%
Annual Reduction of Market Rent	\$12,520
Monthly Reduction of Market Rent	\$1,043
Total Months Impacted	1
Indicated Temporary Severance	\$1,043
Rounded	\$1,050

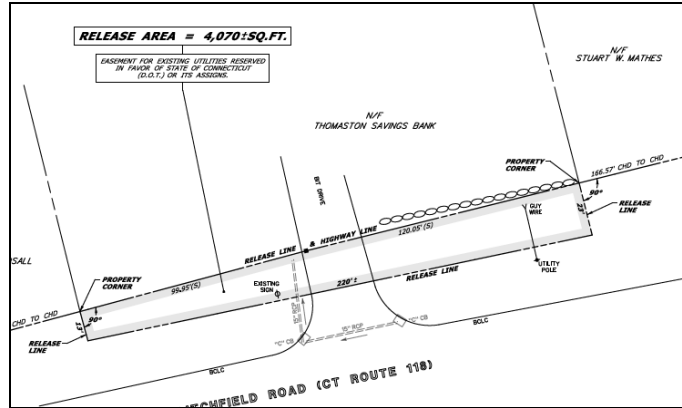
Total damages are then Permanent Damages plus Temporary Severance Damages, or \$13,500 + \$1,050 = \$14,550.

Valuation of Release Parcel

Sale Price: \$12,000

Under this proposal, DOT will release a rectangular-shaped, 4,070 square foot (0.934 acre) strip of land with 220' of frontage on Litchfield Rd (Rt 118). The land is within the ROW and is improved with seeded land and an asphalt-paved driveway. The property is in the Retail Service B commercial zone and conforms to zoning.

The sole abutter is comprised of an approximate five acre site fronting Litchfield Road, improved with a retail bank building. The Appraiser opined the highest and best use of the property is for commercial development, and as-improved for continuation of the existing use. After assemblage the sole abutter will include a 5.09 acre site with 220 feet of frontage on Litchfield Road.



Valuation – With the release of this parcel via a Sale by Abutter Bid, DOT Appraiser Matthew Malia appraised the property, as of April 21, 2021, in both the Before and After assemblage, valuing the two contiguous properties in the Before Valuation as they meet the standard of the Larger Parcel per Yellow Book Standards. Based on the sales comparison approach, the Appraiser utilized three sales of land in Burlington, Torrington and Bristol and concluded the fair market value of the Larger Parcel was \$2.00/sf x 217,800 sq.ft. = \$435,600.

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the assembled parcel was \$2.00/sf x 221,870 sq.ft. = \$443,800.

Value of the Release

After Valuation	\$443,800
Before Valuation	\$435,600
Value of Release	\$8,200

From the Administrative Settlement narrative.

This Administrative Settlement concerns the proposed acquisition of 301± sq. ft. of land, along with a right to grade and construct driveway and parking, establish turf, and remove island, curbing and sign, right to grade, right to construct brick walk, right to construct concrete walk, right to relocate fence, and a right to install sedimentation control system. This proposed acquisition is required in connection with the Department of Transportation's (Department) project for Major Intersection Improvements on Route 6 at No. Main St. & Agney Ave.

The subject property is located at 203 Main Street and consists of .54± acres of land in the C-Village zone. The property is currently being utilized as a bank branch by the owner Thomaston Savings Bank. The parcel is located on the southwesterly corner of Main Street (also known as CT Route 6) and Agney Avenue in the easterly portion of Plymouth.

The Department had an appraisal report completed for the proposed acquisition (File No. 110-136-006), dated April 23, 2021, by appraisal firm Kerin & Fazio, LLC, who established damages in the amount of \$14,550.00, calculated as follows:

• Fee Taking: 301 sq. ft. x \$4.50/sq. ft. =	\$1,500.00(rd)
• Impacted Site Improvements=	\$5,000.00
• Severance (1 Parking Space) =	\$7,000.00
• <u>Temporary Severance (4 Spaces for 4 weeks) =</u>	<u>\$1,050.00(rd)</u>
Total Damages =	\$14,550.00
Total Damages = \$14,550.00	

The Department's formal offer was made via certified mail to the property owner, Thomaston Savings Bank, addressed to COO Mr. Quinn on June 15, 2021. At the time the offer was made, Mr. Quinn was in negotiations to purchase a desired parcel of excess property from the Department under File No. 065-000-058A. This release parcel consists of 4,070± sq. ft. (see attached release map). An appraisal was completed for the release parcel on April 21, 2021, by staff appraiser Matthew Malia, who established a value of \$8,200.00. The Department made an offer of \$12,000.00 which was accepted by Mr. Quinn.

Based on the above, the Department proposes to sell Thomaston Savings Bank the release parcel in addition to paying \$2,550.00 as monetary compensation (see below).

\$14,550.00 (registered value)
-\$12,000.00 (asking price of released parcel)
\$2,550.00 (monetary consideration for the proposed acquisition).

Staff inquired with DOT for clarification of the following issues:

1. Please provide copies of the correspondence to the Town and Legislative Delegation pursuant to CGS 3-14b.

DOT Response: Per DOT's Property Management section, this transaction is being handled under CGS 13a-73 (an exchange for another parcel ROW will acquire), so DOT would not be offering it to the Town. Therefore, there is no letter to the Town.

Staff Response: OK

2. In the May 27, 2021 letter to the Releasee (Thomaston Savings) it was stated that the purchase price was \$12,000 plus a \$1,000 Administrative Fee. In the Administrative Settlement there is no reference to the Administrative Fee. Please clarify if the Administrative Settlement should be modified to reflect the \$1,000 Administrative Fee and thus reducing the net damages awarded to the Grantor (reduced to \$1,550).

DOT Response: The Administrative fee only applies if the owners make the request for the property. DOT cannot deduct that amount out of the settlement.

Staff Response: OK

RECOMMENDATION: Staff recommend the Board approve this proposal in the amount of \$2,550 (\$14,550 damages less \$12,000 acquisition) for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The damages for the acquisition are supported by the independent Appraisers estimate of value.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. VOTES ON PRB FILE:

PRB FILE #22-006 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB 22-006.

8. NEXT MEETING – Monday, February 14, 2022.

The meeting adjourned.

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