

## **STATE PROPERTIES REVIEW BOARD**

### **Minutes of Meeting Held On April 14, 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 April 14, 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**

Brian Dillon, JUD  
Shane Mallory, DAS Leasing & Property Transfer  
Thomas Pysh, DAS Leasing & Property Transfer

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 April 11, 2022 Meeting. The motion passed unanimously.

#### **2. COMMUNICATIONS**

Director Desai reminded Member to ensure that their Statement of Financial Interest is filed prior to May 1, 2022 deadline.

Mr. Berger provided Members an update regarding current legislation that may impact the Board.

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

#### **4. REAL ESTATE – NEW BUSINESS**

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 10:00. The motion passed unanimously. Mr. Dillon of the Judicial Branch and Mssrs. Mallory and Pysh from DAS were invited to attend the Executive Session at 10:05 and left the meeting at 10:32.

**EXECUTIVE SESSION**

**PRB #:** 22-032  
**Transaction/Contract Type:** RE/ Lease  
**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 10:33. The motion passed unanimously.

**OPEN SESSION**

**PRB #** 22-033  
**Transaction/Contract Type:** RE – Administrative Settlement  
**Origin/Client:** DOT/DOT  
**DOT Project #:** 040-141-00  
**Licensee:** Northern Exposure, LLC  
**Property:** Haddam, Harpers Landing (4)  
**Project Purpose:** Bridge No. 01138 Route 82 over Connecticut River  
**Item Purpose:** Administrative Settlement

**DAMAGES/SETTLEMENT: \$82,000/\$88,000**

DOT PROJECT: <https://www.easthaddamswingbridgeproject.com/about-the-project/>  
The project consists of the rehabilitation of Bridge No. 01138, also known as the East Haddam Swing Bridge, which carries Route 82 over the Connecticut River. The East Haddam Swing Bridge is a four-span structure that has a west-east orientation and consists of a fixed deck truss in Span 1, a fixed through truss in Span 2, and a moveable through truss swing span (Spans 3 and 4).

This project involves a major rehabilitation of the structural, mechanical, and electrical components of the bridge. Additionally, a cantilevered sidewalk is being added to the south side of the bridge and approach sidewalks constructed, as requested by the Towns of East Haddam and Haddam.

The project scope includes:

- Span 1 deck and stringer replacement
- Span 2 deck and floor system replacement
- Truss strengthening repairs on all spans
- Substructure modifications and patching
- New bridge and approach rails that meet standards
- Operator house repairs
- Generator house roof replacement
- Major mechanical system upgrades
- Full replacement of the electrical system (including replacement of power, control, and operator house telecommunication submarine cables).

A cantilevered 6' wide fiber reinforced polymer deck sidewalk structure attached to the south side of the bridge is proposed. It will connect to approach sidewalks that will extend on the west side to Little Meadow Road and on the east side to the delivery driveway at the Goodspeed Opera House.

Twenty-five 63-hour road closure periods with a detour of traffic are proposed to facilitate deck and floorbeam replacement in Spans 1 and 2. The signed detour route is 30 miles long and uses the Baldwin Bridge on I-95. Use of overnight road closures and alternating one-way traffic patterns are proposed in order to complete other construction activities. Signalized alternating one-way traffic patterns will be in

place for approximately 23 weeks over the course of the three years of construction. A swing span operation outage, where the bridge cannot open for tall marine traffic, is proposed from December 1, 2023, until April 1, 2024, to facilitate the replacement of electrical and mechanical system components. The navigation channel under Span 3 or a temporary channel in Span 4 will be open to boat traffic throughout construction.

Once the bridge rehabilitation is completed, it will provide a safe crossing of the Connecticut River for vehicles and pedestrians traveling on Route 82, extend service life, and improve swing span operation reliability.

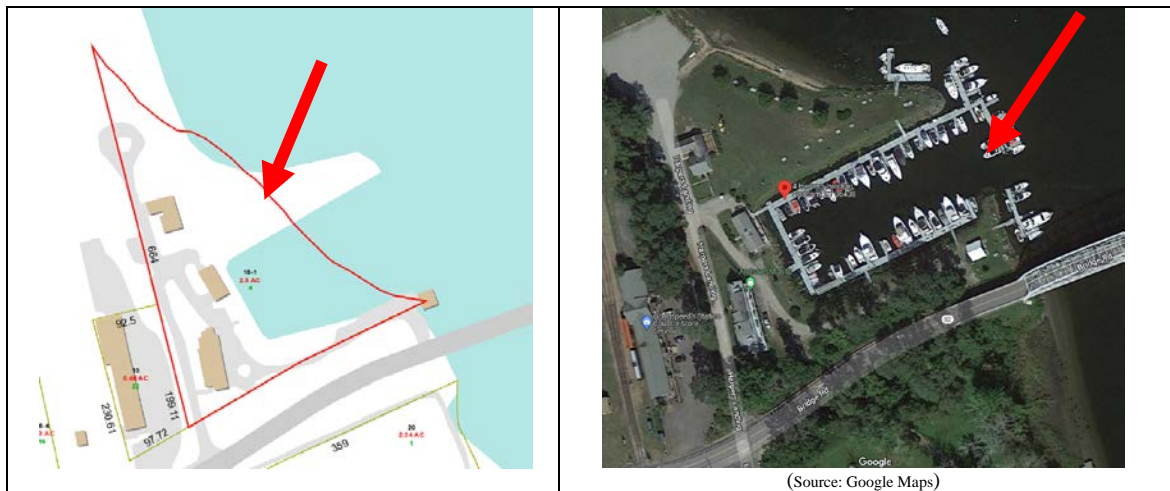
The bridge rehabilitation and cantilevered sidewalk construction will be undertaken using State and Federal funds. The approach sidewalk construction will be undertaken using Federal and Town funds. The total construction cost is estimated to be \$58.2 million.

Based on the current project schedule, the design is expected to be completed in July 2021. Construction is anticipated to start Spring 2022 and end Fall 2024.

**SITE DESCRIPTION:** The property consists of a 2.50± acre lot located on the north side of Bridge Road (Route 82) access from a private drive identified as Harpers Landing. The site has approximately 380 feet of frontage on the northerly side of Bridge Road.

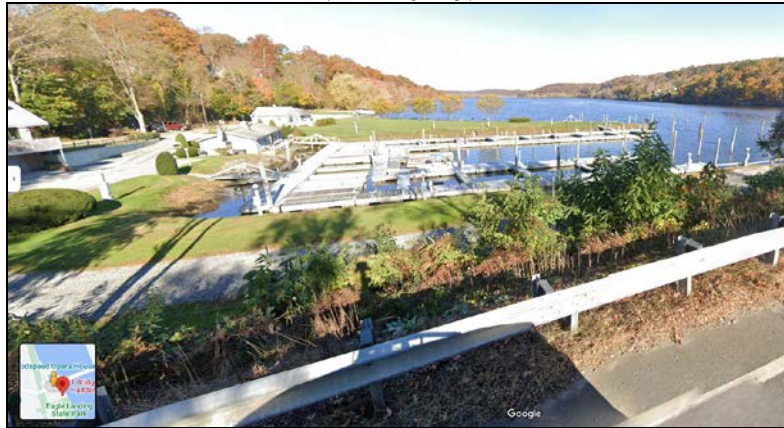
The Appraiser notes the topography is about 6' above low tide. This is about 2.5' above high tide. At low tide, there is a depth in the mooring basin of about 6'. It was recently dredged at a cost of over \$100,000.

The site is improved with a cape style single-family dwelling (3,267 sf), a ranch style single-family dwelling and a 1-story structure utilized as an office for the marina. The property also includes docks and boat slips that allow direct access to the Connecticut River.





(Source: Google Maps)



(Source: Google Maps)

The Appraiser opines the highest and best use of the site is as follows:

**Highest and Best Use of the Appraised Land As Improved**

The use of this property as a marina is probable, but as will be shown in Section 14, the improvements contribute little value to the land for a limited marina and its pilings.

**Conclusion**

The Highest and Best Use of the Appraised Land is for its continued use as a small limited marina without marina accessory sales and services. The expansion of capital improvements would, other than necessary to continue operation and create a greater potential for larger boats which appear to be more profitable tenants.

**VALUATION:** The DOT appraisal was completed July 28, 2021 by Independent Appraiser Norman Benedict.

Land Valuation: Based on the sales comparison approach, the appraiser considered the following three sales (2018-2020) of similarly zoned land and similar highest and best use (marina):

LAND SALES COMPARISON APPROACH VALUATION GRID						
Comparable Sale Numbers	Appraised	1		2		3
Address	4 Harpers Landing	362 Boston Pt. Rd.		61 Railroad Avenue		226 Middlesex Ave.
Town/City	Haddam	Westbrook		Chester		Chester
Adjusted Land and Unit Price	See Sales sheets	\$725,940	\$201,650	\$678,260	\$167,472	\$1,736,380
Units per sale (acres)	2.50	3.60		4.05		13.52

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was \$175,000/acre (\$4.02/sf), calculated as follows:

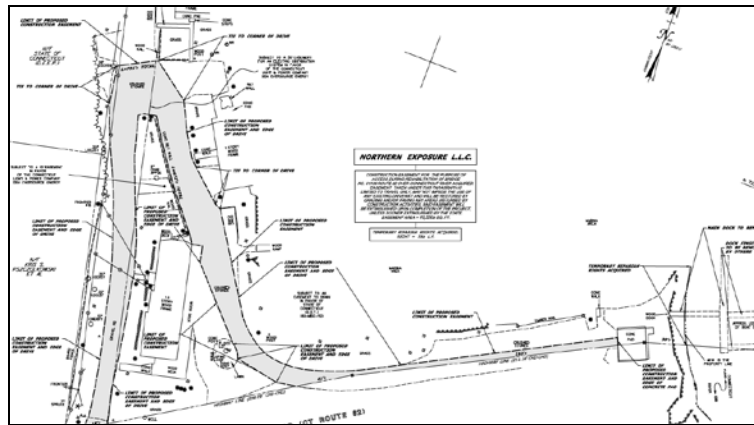
Item	Calculation	Value
Land Valuation	2.50 acres x \$175,000/acre	\$437,500
	<b>Rounded</b>	<b>\$438,000</b>

All unaffected site improvements and other improvements were assigned a value of \$X.

**TAKING DESCRIPTION:**

DOT requires acquiring the following:

- A Construction Easement for the purpose of access during rehabilitation of bridge no. 01138 Route 82 over Connecticut River acquired...limited to travel only, may not impede the use of any existing driveway and will be restored by grading and/or paving any areas disturbed by construction activities, acquired over an area of 10,220± square feet; and
- Temporary Riparian Rights acquired over an area of 56 ± linear feet.

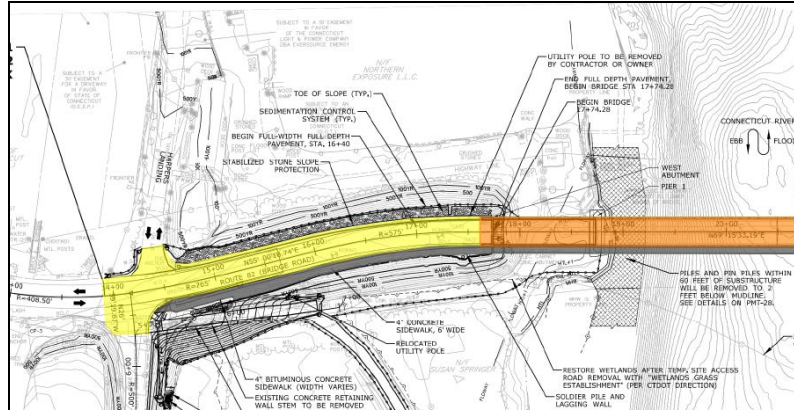


**IMPACT OF THE TAKING:**

The State of Connecticut will acquire a construction easement. Its purpose is to provide access during the rehabilitation of Bridge No. 01138 on CT Route 82 which crosses the Connecticut River, immediately south of the appraised land. The easement taken is limited to travel only and may not impede the use of any existing driveway. It will be restored by grading and/or paving any areas disturbed during construction activities. The easement will be extinguished upon the completion of this project unless it is sooner extinguished by the State of Connecticut.

There are currently stone dressed gravel type driveways north of Bridge Road. It then turns sharply southeasterly and easterly along the south boundary of the appraised property and adjacent to the north boundary of CT Route 82. At the end of this driveway, there are currently 7 slip floating docks within the riparian rights partially acquired that are anchored by pilings. A barge will be moored off shore of this area for the purpose of floating a crane to be used in the bridge rehabilitation program. There will be an Acquisition of 56 feet of Riparian Rights which will result in the loss of 7 slips for the three years of this easement. The income produced by these slips is currently \$23,760. The slip rental length rate is proposed to be increased by \$5.00 per foot from the current \$110.00 per foot rental rate.

This would indicate that during the three years of this easement that the rental rate of \$23,760 will go up nominally each year. However, future dollars are worth less money than present dollars. One dollar received at the end of one, two or three years has risk that it may not be earned and is worth less than \$1.00 at Time 0. This function of \$1.00 will be considered later in this report.



**AFTER VALUATION:**

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

**EXTRAORDINARY ASSUMPTIONS:**

It is an extraordinary assumption of this appraisal report that the previous description of what will happen to the appraised property during the subsequent three years will happen in accordance with the description provided to me by the Department of Transportation of the State of Connecticut. If these extraordinary assumptions and descriptions are proven to be different as the impact of the COVID-19 Pandemic has affected my ability to gather information from local Town Halls, I reserve the right to change my opinion of the Market Value After the Taking and the Damages. However, this did not affect the reliability of my value expressed in this appraisal report. Finally, it is an extraordinary assumption that the rental income of the marina slips will increase by \$5.00/lf from \$110/lf to \$115/lf. There are no known hypothetical conditions which have been utilized in the preparation of this appraisal report except that I have based my value on the fact that the State of Connecticut’s construction easement will not be extended for more than the initial three years.

**HYPOTHETICAL CONDITIONS:**

The methodology used in this report is in the form of a Standard State Total Release 29 Point “Partial Take” Narrative 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 States 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.

After Land Valuation: Based on the sales comparison approach, the appraiser considered the same sales as in the Before Valuation and after adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was unchanged at \$175,000/acre (\$4.02/sf), calculated as follows:

Item	Calculation	Value
Land Valuation	2.50 acres x \$175,000/acre	\$437,500
	<b>Rounded</b>	<b>\$438,000</b>

All unaffected site improvements and other improvements were assigned a value of \$X.

**Calculation of Permanent Damages**

<b>Item</b>	<b>Value</b>
Before Valuation	\$438,000
After Valuation	\$438,000
Permanent Damages	\$0

### Calculation of Temporary Damages

Minimal permanent damage occurs to the appraised property. Temporary damage results from two Temporary three year Takings by the State of Connecticut. The first Taking deals with the 7 boat slips which are at the easterly end of the southern portion of the mooring basin. This riparian area will be acquired by the State of Connecticut for the mooring of a barge on which a crane will be located that will be used in conjunction with the reconstruction of the bridge. Mr. David J. Papallo, Jr., owner of Andrews Marina, computed the current rental of the 7 boat slips affected at \$23,760.

The second Taking of a Temporary Easement will be over 10,220± square feet of current driveway areas. The underlying land of these easements was just shown to be worth \$175,000 per acre in the Before and After Valuation analyses. This area will not be acquired for total usage by the contracts of the State of Connecticut, but shared usage with the ownership of this marina and its clients.

The following shows the computation of the two steps of this Temporary Easement situation.

Step 1	\$23,760 (7 slips)	x	3 years	=	<b>\$71,280</b>
Step 2	10,200 SF	/	43,560 SF	=	0.23 acres
	0.23 acres	x	\$175,000 per acre	=	\$40,250 per year
	\$40,250 per year	x	8.50% (Equity Profit)	=	\$3,421 per year
	\$3,421	x	3 years	=	<b><u>\$10,264</u></b>
Total					\$81,544
					Rounded to
Temporary Damages					\$82,000

It should be noted that the Appraiser employed an extraordinary assumption within the development of his opinion of value that the rental income of the marina slips will increase by \$5.00/lf from \$110/lf to \$115/lf. The Appraiser's calculation of damages, as illustrated above, failed to properly account in the growth of rental income attributable to the 7 slips. Accounting for the increase in the rental rate/lf, the computation is \$73,440 (\$23,760/\$24,840/\$24,840).

### Calculation of Total Damages

Total damages are then Permanent Damages plus Temporary Severance Damages, or \$0 + \$82,000 = \$82,000.

**From the Administrative Settlement narrative.**



David Papallo rejected the Department's offer purporting an additional \$11,495.00 in damages (\$3,240.00 for riparian rights and \$8,255.00 for the construction easement). He maintained that Mr. Benedict's use of a \$4.02 s.f. unit value with a capitalization rate of 8.5% was not representative of the Subject's fair market value. To support his opinion Mr. Papallo noted a recently recorded sale of a residentially improved property directly on the western bank of the Connecticut River within .30 miles south of the Subject. The parcel's total market value as determined by the town was \$347,060.00 and sold for \$410,000.00 on July 20, 2021. Before the recorded sale, the property card noted the 1.26 acreage value of \$4.83 per square foot.

Mr. Papallo also maintained that there should be an increased value in lost rental rates for his 7 boat slips during the 3-year construction period. The appraisal's loss of revenue was calculated on a direct loss basis with no consideration for market increases. Mr. Papallo represented that an additional \$5.00 per linear foot per year would be the minimal annual increase charge to his clients.

Continued negotiations concluded with a compromise in the total amount of \$88,000.00 as full and final payment for the property rights to be acquired. The increased amount of \$6,000.00 is considered equitable given the direct damages to the subject property. This represents an increase of \$0.57 per square foot (\$4.02 to \$4.59), a slight increase in in the capitalization rate of 1% (8.5% to 9.5%) and \$5.00 per L.F. annual rental rate increase for year two and three.

- Riparian rights 7 slips  
 year 1 – 216' @ \$110.00 = \$23,760.00  
 year 2 – 216' @ \$115.00 = \$24,840.00  
 year 3 – 216' @ \$120.00 = \$25,920.00  
**\$74,520.00**
  
- Construction Easement Area 10,200 +/- sf X \$4.59 = \$46,818.00  
 X 3 years X .095% = **\$13,343.13**
  
- Total = \$88,000.00 (Rounded)**

While no formal appraisal was submitted, it is recognized that the potential for greater severance calculations exists based on the impacts caused by the construction project, an additional \$6,000.00 is deemed fair and reasonable by the Department.

Staff researched the sale of 69 Little Meadow Rd. The property sold on July 20, 2020 (not 2021) for \$410,000. The sale property included a 1.26 acre lot with 92' of direct frontage on the Connecticut River. The is improved with a c.1955 frame construction cottage containing 560 square feet of living area, renovated at some point between 2017 and the sale date. At the time of the sale the property was assessed for \$204,540, of which \$181,920 (88.9%) was attributable to the land.



Applying that ratio to the 2020 sale price would imply the land allocation is \$364,658 to the land, or \$6.64/sf.

The property had last sold on November 14, 2017, for \$220,000.

Staff note that the negotiations resulted in increasing the value of the land to \$200,000/acre, up from \$175,000. This change is within the range of the three comparable sales selected by the Appraiser (\$201,650/acre for 3.6 acres, \$167,462/acre for 4.05 acres and \$128,430/acre for 13.5 acres) and the allocated/extracted value indicated for the 2020 sale on Little Meadow Rd.

Regarding the negotiated change in rental rates for the 7 slips affected by the riparian rights acquired, the negotiated settlement is minor in the fact that the Appraiser failed to make the proper calculation of

damages and the negotiated increase, after corrections, is \$1,080, not \$3,240 as presented within the Administrative Settlement.

With respect to the increase of 1% in the land capitalization rate to 9.50% is also considered reasonable in light of the nature of the Project, length and location of the easement and overall impact on a 70-slip marina.

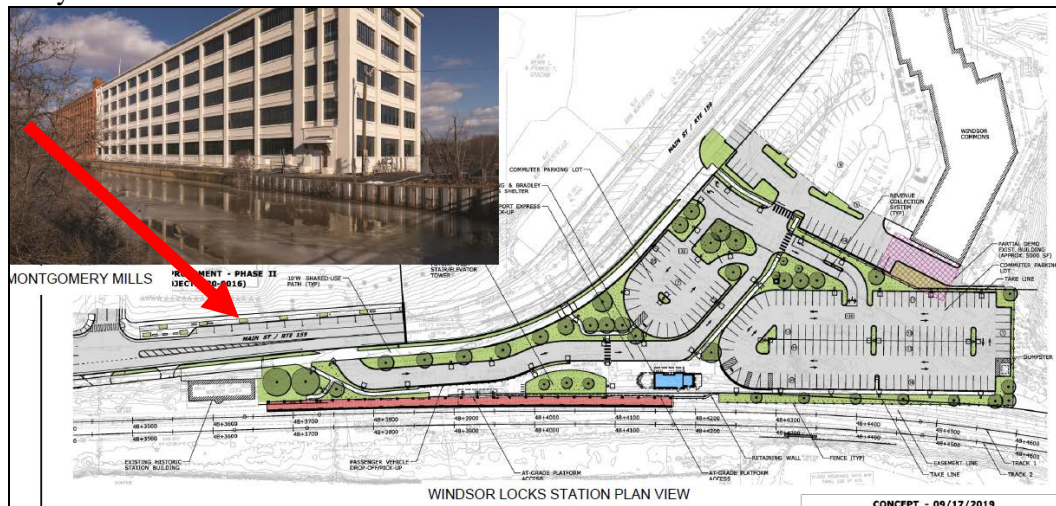
**RECOMMENDATION:** Board approval of damages in the amount of \$88,000 is recommended for the following reasons:

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 acquisition value is supported by the independent appraisal report.

<b>PRB #</b>	22-034
<b>Transaction/Contract Type:</b>	RE – Voucher
<b>Origin/Client:</b>	DOT/DOT
<b>DOT Project #:</b>	320-005-012
<b>Licensee:</b>	Windsor Locks Housing Authority
<b>Property:</b>	Windsor Locks, Grove St (11-13 & 22)
<b>Project Purpose:</b>	New Haven-Hartford-Springfield Rail Corridor
<b>Item Purpose:</b>	Voucher

**DAMAGES: \$18,000**

**DOT PROJECT:** The Department is in the process of designing a new station on the Hartford Line in Windsor Locks, CT. This station will include a single high-level platform, a multi-use trail with connections to the Canal Trail via Bridge Street, parking, and other amenities similar to the newly constructed Hartford Line Stations. The 510 foot-long platform will be fully ADA compliant, with levelboarding from every train car. The station is to be relocated to downtown Windsor Locks. The project also includes reconstruction of Route 159, closing of Church Street at Route 159, and improvements to nearly 1.5 miles of mainline track. This project would also complement the town’s new Transit Oriented Development Area (TOD) in downtown Windsor Locks and the development at Montgomery Mills.



**SITE DESCRIPTION:** The subject property consists of an irregular-shaped 118,483± square foot (2.72± acre) parcel of land with a total of approximately 486.41± feet of frontage on the west side of Main Street (aka Route 159), 287.62± feet on the north side of Oak Street and 401.85± feet on the north, east and south sides of Grove Street. Site improvements include approximately 50,000 SF of paving in average

condition, landscaping, sidewalks, a flag pole and building mounted lights. The property is located in the B-DRD Zone and is considered a legally allowed pre-existing, non-permitted conforming use.

The Appraiser opines the highest and best use of the site as vacant would be for commercial development such as retail and professional and business office uses in conformance with current zoning requirements to develop the site. The existing structures are physically possible and legally allowed by zoning as an allowable pre-existing non-permitted use. Conversion to an alternative use is not likely due to the high cost to convert the buildings to a different use. Therefore, the highest and best use is to continue the current apartment use.



**BEFORE VALUATION:** The DOT appraisal was completed September 21, 2021 by independent Appraiser Steven E. MacCormack.

Land Valuation: Based on the sales comparison approach, the appraiser considered the following three sales (2019-2020) of similarly zoned land and similar highest and best use:

LAND SALES SUMMARY						
Sale	Location	Area (acres)	Zone	Sale Date	Sale Price	Sale Price Per Acre
1	229 Ella Grasso Turnpike Windsor Locks, CT	3.90	B-1	2/18/20	\$620,000	\$158,974
2	206 South Main Street East Windsor, CT	10.06	B-2	2/5/19	\$425,000	\$42,247
3	298 South Main Street East Windsor, CT	0.76	B-2	1/17/19	\$80,000	\$105,263
<b>Subject: 11, 13 &amp; 22 Grove Street Windsor Locks, CT</b>		<b>2.72</b>	<b>B-DRD</b>			

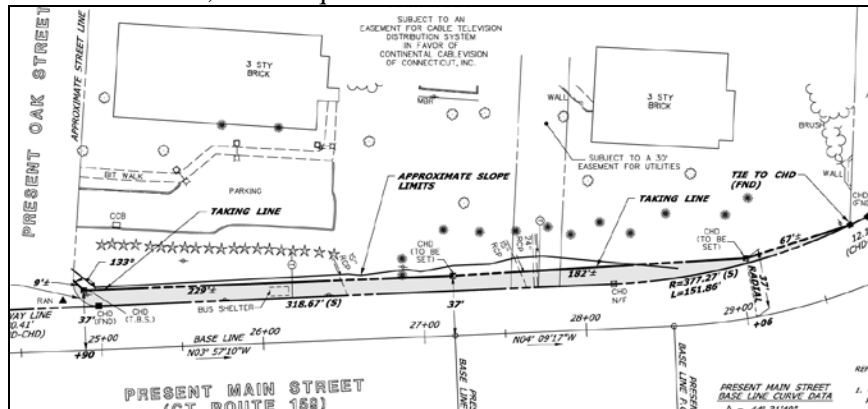
After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was \$140,000/acre (\$3.214/sf), calculated as follows:

Item	Calculation	Value
Land Valuation	118,483 x \$140,000/ac	\$380,800
	<b>Rounded</b>	<b>\$381,000</b>

All unaffected site improvements and other improvements were assigned a value of \$X.

**The Taking:** DOT will acquire the following:

1. A partial take in fee simple of 4,152 square feet of land; and
2. An easement to slope for the safety of the highway and remove, use or retain excavated material acquired over an area of 1,410+/- square feet.



**IMPACT OF TAKING:**

The taking will cause a permanent loss of land area (4,152+/- SF) and a partial loss of use of the easement to slope area. Since the subject’s improvements are not affected by the taking and easement to slope, only the land is valued and the improvements are assigned an “X” value.

**AFTER VALUATION:**

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

**Extraordinary Assumptions:**

There is an Extraordinary Assumption that this appraisal assumes that the CT DOT will be responsible for relocating the bus shelter within the right of way during the construction project with no additional damages required given that the relocation is for the benefit of the owner. An additional Extraordinary Assumption is assumed that the Acquisitions Department of the CT DOT will be responsible for managing the potential relocation of the sign elevated on a retaining wall should it be required to be moved from the taking an/or slope easement areas.

**Hypothetical Conditions**

The methodology used in this report is a standard State format in the form of a before and after valuation appraisal used for eminent domain purposes. This 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 States project. I have based my appraisal report 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.

After Land Valuation: Based on the sales comparison approach, the Appraiser considered the same three sales as in the Before Valuation and concluded that the fair market value of the subject land was unchanged at \$140,000/acre (\$3.21/sf), calculated as follows:

Item	Calculation	Value
Land Valuation	112,921 x \$140,000/ac	\$362,923
Easement to Slope	1,410 sf x \$140,000/ac x 10%	\$453
	<b>Total</b>	<b>\$363,376</b>
	<b>Rounded</b>	<b>\$363,000</b>

**Calculation of Permanent Damages**

Item	Value
Before Valuation	\$381,000
After Valuation	\$363,000
Permanent Damages	\$18,000

**RECOMMENDATION:** Board approval of damages in the amount of \$18,000 is recommended 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 acquisition value is supported by the independent appraisal report.

**5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS**

**6. ARCHITECT-ENGINEER - NEW BUSINESS**

**7. OTHER BUSINESS**

**8. VOTES ON PRB FILE:**

**PRB FILE #22-032** – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #22-032. The motion passed unanimously.

**PRB FILE #22-033** – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #22-033. The motion passed unanimously.

**PRB FILE #22-034** – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #22-034. The motion passed unanimously.

**9. NEXT MEETING** – Monday, April 18, 2022.

The meeting adjourned.

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