

# STATE PROPERTIES REVIEW BOARD

## Minutes of Meeting Held On April 18, 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 18, 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 April 14, 2022 Meeting. The motion passed unanimously.

### 2. COMMUNICATIONS

Mr. Berger summarized the most recent information available on pending legislation that may impact the SPRB.

### 3. REAL ESTATE- UNFINISHED BUSINESS

### 4. REAL ESTATE – NEW BUSINESS

<i>PRB #</i>	22-024
<i>Transaction/Contract Type:</i>	RE – Release
<i>Origin/Client:</i>	DOT/DOT
<i>DOT Project #:</i>	082-287-002C
<i>Licensee:</i>	Stone Point Properties, LLC
<i>Property:</i>	Middletown, Washington St (733) @ Boston Rd
<i>Project Purpose:</i>	Release of Slope Easement Maintained under 082-287-002A
<i>Item Purpose:</i>	Release of Easement Deed

**Exchange Price:** \$7,000 (plus \$1,000 Administrative Fee)

April 12, 2022 Update

At the State Properties Review Board meeting held on April 4, 2022, the Board voted to suspend this file pending Board clarification of the following issue:

- Please clarify if the Easement Deed, as drafted, can release/extinguish the easement to slope to Stone Point Properties, LLC when the parcel is currently owned by 733 Washington Street, LLC (both related entities).

**DOT Response:** From 4-6-2022 email: This will confirm that DOT requests that the subject file be returned to DOT in order to revise the deed to reflect the correct name. We have the hard copies here so we will work on the revisions and re-execution.

**Staff Response:** OK

**Recommendation** – Staff recommend the Board Return of this Proposal pursuant to DOT’s April 6, 2022 request.



**Exchange Price:** \$7,000 (plus \$1,000 Administrative Fee)

#### Project Background

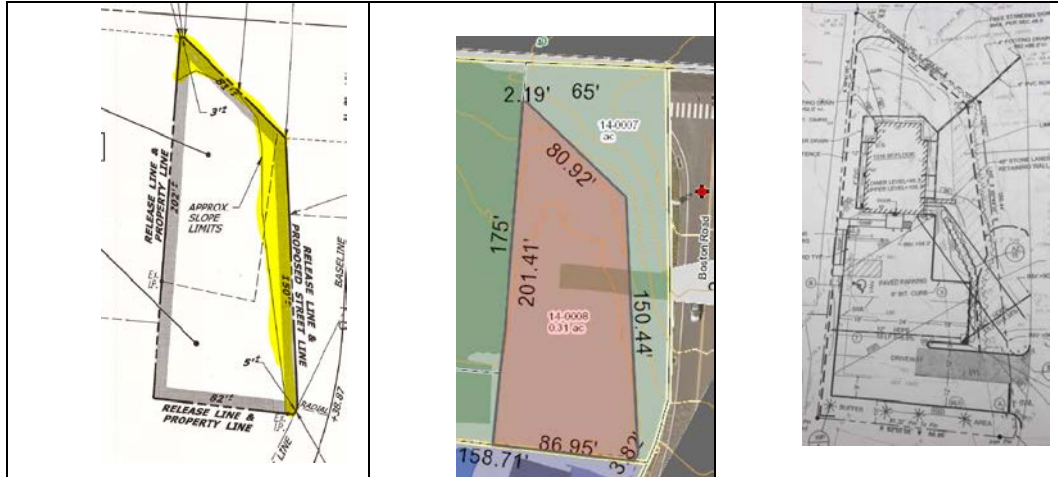
At the October 9, 2012 SPRB Meeting the Board approved, under PRB #12-235, the Sale by Public Bid proposed by DOT for the release of a 13,180 square foot parcel for \$45,000. The Release Parcel was the remainder of two residential properties acquired by DOT in 2003, via condemnation, for intersectional improvements. Two homes were demolished as part of the DOT project. The neighborhood is mostly residential on the north of Route 66, and mostly commercial on the south side of Route 66.

The Release Parcel, formally conveyed in January 2013, is irregular in shape, with 84 feet of frontage on Washington Street (access denied) and 155 feet of frontage on Boston Road (access denied along 40 feet near intersection). The land slopes up from street level. The State retained a Slope Easement along the frontage, but within the zoning setback requirements.

Previously in 2012, under PRB #12-046, the Board approved a Release of 5,903 SF of vacant land acquired for the DOT project in 2003 to the Town of Middletown for highway purposes.

Under this Proposal (PRB #22-024), DOT seeks SPRB approval to release the Slope Easement retained in 2012 over a total area of 2,320 square feet on a 13,467 square foot site (per 2013 survey). The negotiated fee for the conveyance is \$7,000 plus a \$1,000 Administrative Fee.

The property owner, identified as 733 Washington Street, LLC, acquired the property in June 2018 for \$100,000 (\$7.43/sf). The unimproved site was previously approved for construction of a two-story office building containing 2,664 square feet.



View looking southwesterly.



Southerly portion of remaining land of Corson.

**Short Form/Letter Valuation** – With the release of this Slope Easement, DOT Appraiser James P. Mansfield estimated the market value of the 13,467 square foot site as of July 29, 2020. The Appraiser concluded the market value of the subject property was \$8.00/square foot.

The Middletown Assessor valued the property for \$90,750, or \$6.72/sf (100%), during the last revaluation (2020).

The Appraiser then calculated the value of the land within the slope easement over the site, calculated as follows:

<b>Item</b>	<b>Calculation</b>	<b>Value</b>
Slope Easement Release	2,320 sf x \$8.00/sf x 35%	\$6,496
	<b>Rounded</b>	<b>\$6,500</b>

**Release Negotiations**

The proposed release of the Easement to Drain is located on land owned by Stone Point Properties LLC. Stone Point Properties LLC has requested the release of this Easement to Drain in order to support the development of their property located at 733 Washington Street in Middletown.

Staff appraiser Mr. James Mansfield valued the release of the Easement to Drain on July 29, 2020, whom determined the value to be \$6,500.00. This valuation was accepted and registered by the Department on August 7, 2020.

On June 25, 2021, Michael Fleischmann of Stone Point Properties LLC was presented with an asking price of \$10,000.00 for the release of the Easement to Slope. On July 1, 2021, Stone Point Properties, LLC presented the Department with a counter offer of \$4,000.00, which was reject by this office as it is not within a reasonable range of the appraised value. On July 1, 2021, Stone Point Properties LLC presented their highest and best offer in the amount of \$7,000.00 which was accepted by this office. A \$1,000.00 Administrative Fee will be collected at closing.

Staff inquired with DOT for clarification of the following issue:

- Please clarify if the Easement Deed, as drafted, can release/extinguish the easement to slope to Stone Point Properties, LLC when the parcel is currently owned by 733 Washington Street, LLC (both related entities).

**Recommendation** – Staff recommend the Board suspension of this Proposal pending DOT response to the aforementioned issue.

From PRB #12-235

**TO: STATE PROPERTIES REVIEW BOARD**

**FROM: MG**

**DATE: October 3, 2012**

**SUBJECT:** PRB #12-235 DOT Sale via Public Bid of 13,180 SF (0.30 acres) of land vacant land  
 Location: Route 66, Washington Street, at Boston Road, Middletown  
 Grantee: Sandro Labbadia and Theresa Spillane  
 Sale Price: \$45,000

**Subject Property Description** – The release parcel is the remainder of two residential properties acquired by DOT in 2003 for intersectional improvements. The parcel is irregular in shape, with 84 feet of frontage on Washington Street (access denied) and 155 feet of frontage on Boston Road (access denied along 40 feet near intersection). It was requested by the abutter to the west, 761 Washington St. L. L. C.

The release parcel will have access along about 113 feet of Boston Road. All public utilities are available. The land slopes up from street level. The State will retain a slope easement along the frontage, but within the zoning setback requirements.

The site was created from the remnants of two residential lots. Two homes were demolished as part of the DOT project. The neighborhood is mostly residential on the north of Route 66, and mostly commercial on the south side of Route 66.

**Valuation** – DOT appraised the property, with the assumption that a curb-cut would be allowed along the Boston Road frontage. The DOT appraiser, Anthony J. DeLucco, determined that the property could be developed without the necessity to assemble it to an adjacent site. The zone allows for residential or commercial uses, such as a residential business or professional offices. Mr. DeLucco compared the property to three vacant, non-residential lots ranging in size from 5,628 SF to 43,560 SF. After making adjustments for declining market conditions, the slope easement, restricted access and possible uses allowed by zoning, the sales indicated a value range between \$3.52/SF to \$5.44/SF. He concluded \$4.50/SF, or \$59,500 (10/4/2011).

**The Public Bids** – Mr. Obey’s memorandum to Mr. Harley (May 29, 2012) explains his office’s acceptance of a bid of \$45,000 for the property. An unsuccessful public bids was held in February 2012, when the sole response was from the requestor, who submitted a bid for \$22,100. Responding to inquiries about the property, a second bid was held in May 2012. The requestor raised his bid to \$35,000 but was out bid by this Grantee, who offered \$45,000, which is 76% of appraised value.

**Recommendation** - Board approval to Quit- Claim the subject 13,180 sq. ft. of vacant mixed-use land at the sale price of \$45,000 is recommended for the following reasons:

1. The proposed sale complies with Sections 4b-21, 3-14b, and 13a-80 of the CGS. In order, DPW, OPM, DDS, DECD and DEP declined an offer to acquire custody & control. The Town of Middletown declined to purchase, as did the prior owners. The legislative delegation was notified of the sale.
2. The property was adequately exposed to the market through two public bids.
3. In accepting the current proposal, the State would receive 76% of appraised value.
4. The sale would end the state’s requirement to maintain the property and the Town of Middletown would gain property tax income.



<b>PRB #</b>	22-035
<b>Transaction/Contract Type:</b>	RE – Voucher
<b>Origin/Client:</b>	DOT/DOT
<b>DOT Project #:</b>	138-245-007
<b>Grantor:</b>	Kramont Operating Partnership, LP

**Property:** Stratford, Barnum Avenue Ext (411)  
**Project Purpose:** Replacement of Bridge No. 00326 US Route 1 Over Metro-North Railroad, Stratford  
**Item Purpose:** Voucher

**DAMAGES: \$248,500**

Under this Proposal (PRB #22-035) DOT is seeking SPRB approval pursuant to CGS 13a-73(h) for DOT to acquire land and easements in conjunction with the DOT Project “Replacement of Bridge No. 00326 US Route 1 Over Metro-North Railroad” with Damages totaling \$248,500. DOT’s enabling legislation to acquire land and easements is pursuant to CGS13a-73(c), 13b-36(a) and 13a-79.

By way of property background DOT previously acquired 5,751 square feet of land in Fee Simple, a Defined Easement for Aerial Highway Appurtenances over an area of 1,079±SF and a Right to Grade acquired over an area of 100±SF in conjunction with the Reconstruction of Interchange 33 on Interstate 95 Project (#138-248-002), impacting land along Veterans Boulevard. Damages were \$120,000. At the State Properties Review Board meeting held on July 2, 2018, the Board approved PRB File #18-105 that Proposal.

**SITE DESCRIPTION:** The subject property consists of a level, irregularly-shaped 19.580 acre parcel at the southwest intersection of Barnum Avenue Cut Off (US Route 1) and Veterans Boulevard. The site is improved with a four-building shopping center. The main building contains two sections and totals 121,332 square feet in size, built in 1984. The second largest building is located at the rear of the site and was built in 1987, 20,124 square feet in size.

There are two pad sites. One of the pad sites is occupied by a McDonald’s restaurant. The building was built in 2002 and totals 2,877 square feet. There is a drive-through lane. The second pad site is occupied by a Ninety Nine Restaurant and Pub. The building totals 5,937 square feet and was built in 1987.

The property is located within the CA and MA Zones and conforms to zoning.

The Appraiser opines the highest and best use of the site as-vacant is “highest and best use of the subject property is for development of a shopping center property, due predominantly to the subject’s zoning and location along a commercial corridor in Stratford.”

The Appraiser opines the highest and best use of the site as-improved is “for its continued present use as a shopping center.”





(Source: Google Maps)

**VALUATION:** The DOT appraisal was completed August 13, 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 (2018-2020) of similarly zoned, with a similar highest and best use, with entitlements in place, as follows:

	Subject	Sale # 1	Sale # 2	Sale # 3
Address	411 Barnum Avenue Cutoff	801 Bridgeport Avenue	1151 West Main Street	150 Boston Post Road
City	Stratford	Shelton	Branford	Milford
Date of Sale	N/A	12/21/2018	7/20/2020	5/7/2019
Sale Price	N/A	\$6,600,000	\$2,200,000	\$6,340,000
Land Acres	19.58	19.08	9.14	5.97
Land SF	852,905	831,125	398,138	260,053
Traffic Count	18,192	15,900	28,135	15,144
Zone	CA & MA	PDD	BL	CDD-1
Price/SF Land	N/A	\$7.94	\$5.53	\$24.38

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was \$9.00/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	852,905 sf x \$9.00/sf	\$7,676,145
	<b>Rounded</b>	<b>\$7,676,100</b>

The Appraiser utilized Marshall Valuation Service to estimate the value of all site improvements at \$1,925,000.

The town assessment records indicate the value of the land is \$4,590,000, or \$5.38/sf (100% value) based on a 2019 town-wide revaluation.

Building Valuation

Sales Comparison Approach: The appraiser analyzed three sales of similar multi-tenant commercial shopping centers in buildings (2018-2019), as follows:

	Subject	Sale #1	Sale #2	Sale #3
ComplD	10650	7233	2257	7882
Name		Home Depot Orange	Milford Crossing	Best Buy Orange
Address	411 Barnum Avenue Cutoff	420-440 Boston Post Road	1357 Boston Post Road	53 Boston Post Road
City	Stratford	Orange	Milford	Orange
Recording Date	N/A	4/2/2018	4/17/2019	12/28/2018
Sale Price	N/A	\$16,250,000	\$59,589,700	\$8,450,000
GBA	150,270	137,738	370,341	58,399
Year Constructed	1984-2002	1992	2007-2008	2001
Site Size	19.58	15.21	49.02	6.08
Traffic Count	18,192	20,800	32,492	21,000
Land to Building Ratio	5.68	4.81	5.77	4.54
Parking Ratio (per 1,000 SF)	7.63	4.72	5.00	5.38
Price/SF GBA	N/A	\$117.98	\$160.90	\$144.69

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject property was \$160/sf x 150,270 sf = \$24,043,200, rounded to \$24,040,000.

Income Capitalization Approach: The Appraiser analyzed four rentals to estimate the rental value of the larger retail units in the shopping center as follows:

Property	1	2	3	4
Property Type	Shopping Center	Retail	Shopping Center	Big Box
GBA	24,194	23,708	99,762	84,167
Year Built	1995	1997	1964	1982
Land Acres	2.32	9.70	8.28	9.47
Land to Building Ratio	4.18	17.82	3.62	4.90
Leased Area (SF)	22,600	23,708	82,035	84,200
Lease Date	4/8/2021	1/1/2019	11/1/2020	7/1/2018
Reimbursement Type	NNN	NNN	NNN	NN
Lease Remarks	Gym space near Interstate 95.	Per listing lease extended January 2019. Rent increases 25% in January 2024.	Starting rent for large retail space.	Full building lease of former Kmart by indoor adventure park . Tenant reportedly invested \$7 million for fit-up. LL responsible for roof, structure, insurance. 2% annual increases.
Lease Rate per SF	\$15.00	\$15.69	\$15.00	\$7.00
NNN Lease Rate per SF	\$15.00	\$15.69	\$15.00	\$6.50

The Appraiser then analyzed five rentals to estimate the rental value of the in-line units in the shopping center as follows:

Property	1	2	3	4	5
----------	---	---	---	---	---



Property Type	Shopping Center	Shopping Center	Mixed Use, Retail,	Community Center	Community Center
GBA	37,980	14,496	43,634	179,963	65,060
Year Built	2018	1983	1991	19612017	20102011
Land Acres	5.51	1.29	4.21	14.50	12.35
Land to Building Ratio	6.32	3.88	4.20	3.51	8.27
Leased Area (SF)	2,340	2,000	1,660	2,970	3,100
Lease Date	10/17/2019	7/30/2020	4/15/2019	1/25/2021	12/4/2018
Reimbursement Type	NNN	NNN	NNN	NNN	NNN
Lease Remarks	Retail space in recently constructed center.	Retail space in strip center.	In-line retail space in shopping center.	Retail space in Stop & Shop anchored center.	Lease of end-cap unit in recently built strip shopping center.
Lease Rate per SF	\$30.00	\$16.00	\$17.00	\$12.00	\$16.00
NNN Lease Rate per SF	\$30.00	\$20.00	\$17.00	\$12.00	\$16.00

The Appraiser then analyzed four rentals to estimate the rental of the pad sites in the shopping center as follows:

Property	1	2	3	4
Property Type	Restaurant, Fast Food	Restaurant, Fast Food	Shopping Center	Restaurant, Fast Food
GBA	2,200	2,280	114,034	2,751
Year Built	1984	1990	19842020	1983
Land Acres	0.36	0.31	13.02	0.74
Land to Building Ratio	7.13	5.92	4.97	11.72
Leased Area (SF)	2,200	2,280	3,400	2,751
Lease Date	9/14/2020	11/1/2019	6/1/2019	1/1/2019
Reimbursement Type	NNN	NNN	NNN	NNN
Lease Remarks	Former Little Caesars pizzeria.	Listing states Wendy's recently renewed lease for 10-years (tenant moved into location in November 2005). Drive-through.	Renewal.	Escalations every five years of lesser of 10% or 1.25x CPI. There are four 5-year renewal options. 8.99% rent to sales ratio. Drive-through.
Lease Rate per SF	\$27.00	\$51.16	\$36.73	\$36.17
NNN Lease Rate per SF	\$27.00	\$51.16	\$36.73	\$36.17

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

#	Space Type	Market Rent/SF	Type
1	Retail (Junior Box)	\$12.00	NNN
2	Retail (<5,000 SF In Line)	\$18.00	NNN
3	Retail (>5,000 SF In Lin)	\$15.00	NNN
4	Retail (PAD) - McDonald's	\$35.00	NNN
5	Retail (PAD) - 99 Restaurant	\$22.50	NNN

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
Retail (Junior Box) (82,135 SF at \$12.00/SF)	\$985,620	\$12.00	33.7%
Retail (Junior Box) - Fright Haven (19,374 SF at \$8.00/SF)	\$154,992	\$8.00	5.6%
Retail (<5,000 SF In Line) (26,781 SF at \$18.00/SF)	\$482,058	\$18.00	17.3%
Retail (>5,000 SF In Line) (24,131 SF at \$15.00/SF)	\$361,965	\$15.00	13.0%
Retail (PAD) - McDonald's (2,332 SF at \$35.00/SF)	\$81,620	\$35.00	2.9%
Retail (PAD) - 99 Restaurant (7,325 SF at \$22.50/SF)	\$164,813	\$22.50	5.9%
<b>Total Rental Income</b>	<b>\$2,231,068</b>	<b>\$13.77</b>	<b>76.2%</b>
Expense Reimbursements	\$660,175	\$4.07	23.7%
Other Income	\$36,000	\$0.22	1.3%
<b>Potential Gross Income</b>	<b>\$2,927,243</b>	<b>\$18.06</b>	<b>100.0%</b>
Less Vacancy & Collection Loss (5.0%)	(\$146,362)	(\$0.90)	-5.0%
<b>Effective Gross Income</b>	<b>\$2,780,881</b>	<b>\$17.16</b>	<b>95.0%</b>
Operating Expenses	Annual	Per SF	% of EGI
Management Fees	\$83,426	\$0.51	3.0%
Real Estate Taxes	\$603,448	\$3.72	21.7%
Property Insurance	\$56,727	\$0.35	2.0%
Replacement Reserve	\$40,520	\$0.25	1.5%
<b>Total Expenses</b>	<b>\$784,121</b>	<b>\$4.84</b>	<b>28.2%</b>
<b>Net Operating Income</b>	<b>\$1,996,759</b>	<b>\$12.32</b>	<b>71.8%</b>

Direct Capitalization Summary	
Net Operating Income	\$1,996,759
Divided By Overall Rate	8.25%
Capitalized Value Indication	\$24,203,145
<b>Rounded (\$149.31 per SF)</b>	<b>\$24,200,000</b>

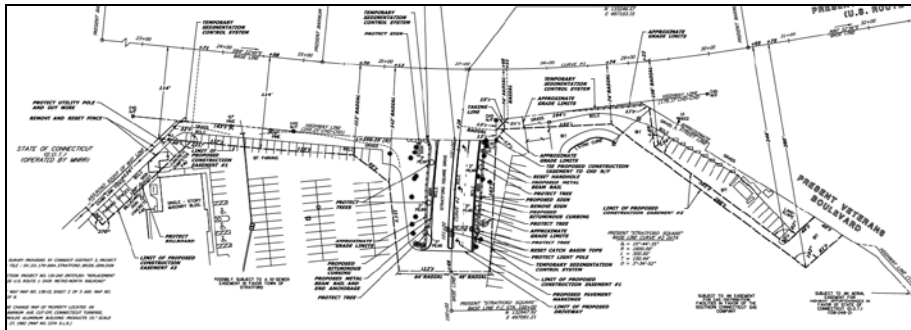
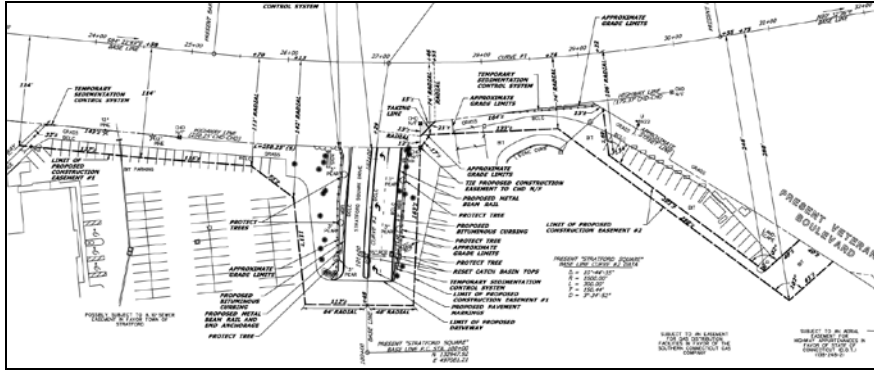
Reconciliation and Value Conclusion - Before

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$7,676,100
Income Capitalization Approach – Building	\$24,200,000
Sales Comparison Approach Building	\$24,040,000
<b>Conclusion of Market Value</b>	<b>\$24,160,000</b>

**TAKING DESCRIPTION:**

DOT requires acquiring the following:

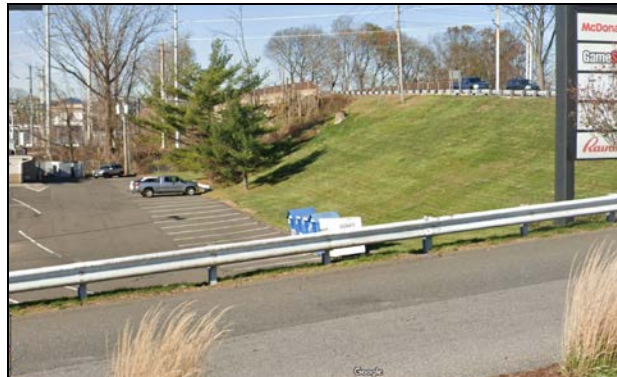
- 101 square foot taking area;
- Construction Easement Area #1 for the purpose of construction access, constructing driveway, grading, resetting catch basin tops, installing metal beam rail and end anchorage, bituminous curbing, pavement markings, and sedimentation control system acquired over an area of 27,405± square feet;
- Construction Easement Area #2 for the purpose of construction access for a retaining wall, sidewalk, grading, and installing sedimentation control system during acquired over an area of 8,799± square feet; and
- Construction Easement Area #3 for construction easement for the purpose of access and the storage/removal of a fence during replacement of Bridge 00326 to US Route 1 over Metro-North Railroad acquired over an area of 8,799± square feet.



Revised Map- provided 4-6-2022



(Source: Google Maps)



(Source: Google Maps)

**IMPACT OF THE TAKING:**

The Connecticut DOT proposes to take 101 square feet of land located along the subject's frontage on Barnum Avenue Cutoff. In addition to the Taking, there will be three construction easements. Construction Easements 1 and 2 will be in place for a total of 3 years. Construction Easement 3 will be in effect for 1 year. All landscaping within the construction easement areas will be lost with the exception of trees noted as protected on the Taking map. For one weekend the entrance to the subject property from Barnum Avenue Cutoff will be closed. All ingress and egress for the property during that weekend will be on Veterans Boulevard. With the exception of the one weekend, access to the subject property from Barnum Avenue Cutoff will not be impacted.

Construction Easement 1 totals 27,405 square feet and is for the purpose of construction access, constructing driveway, grading, resetting catch basin tops, installing metal beam rail and end anchorage, bituminous curbing, pavement markings, and sedimentation control system during replacement of Bridge 00326 to US Route 1 over Metro-North Railroad. Construction Easement 1 will result in the temporary loss of 28 parking spaces on the northwest portion of the property and one parking space on the central portion of the property.

Construction Easement 2 totals 8,799 square feet and is for the purpose of construction access for a retaining wall, sidewalk, grading, and installing sedimentation control system during replacement of Bridge 00326 to US Route 1 over Metro-North Railroad. Construction Easement 2 will result in the closure of the driving lane to the rear of the McDonald's restaurant drive-through lane and restrict mobility in that area of the parking lot. Additionally, one parking space in the northeast corner of the subject site will be temporarily lost during the construction easement.

**AFTER VALUATION:**

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

**EXTRAORDINARY ASSUMPTIONS:**

The appraisal is completed subject to the extraordinary assumption that if the dumpster located in the area of Construction Easement 2 or the dumpster located in the area of Construction Easement 3 requires relocation, the dumpsters will be relocated to an area which does not impact the remainder of the subject. If the dumpsters are relocated to an area which impacts the remainder, the value is subject to change.

**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 \$9.00/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	852,804 sf x \$9.00/sf	\$7,675,236
	<b>Rounded</b>	<b>\$7,675,200</b>

The Appraiser estimated the value of all site improvements was decreased by \$1,910,000.

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 \$160/sf and adjusted for the DOT's acquisitions (land and site improvements) as follows:

Indicated Subject Value	
Concluded Value Per SF GBA	\$ 160.00
GBA	150,270
Indicated Value	\$ 24,043,200
<b>Rounded - Before</b>	<b>\$ 24,040,000</b>
Less Taking Area Value	\$ (900)
Less Site Improvements	\$ (15,000)
<b>Rounded - After</b>	<b>\$ 24,024,100</b>

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	\$1,996,759
Divided By Overall Rate	8.25%
Capitalized Value Indication	\$24,203,145
<b>Rounded - Before</b>	<b>\$24,200,000</b>
Less Adjustments	
Less Taking Area Value	(\$900)
Less Site Improvements	(\$15,000)
Adjusted Value Indication	\$24,184,100
<b>Rounded - After (\$149.21 per SF)</b>	<b>\$24,184,100</b>

Reconciliation and Value Conclusion - After

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$7,676,100
Income Capitalization Approach – Building	\$24,184,100
Sales Comparison Approach Building	\$24,024,100
Conclusion of Market Value	\$24,144,100

**Calculation of Permanent Damages**

Item	Value
Before Valuation	\$24,160,000
After Valuation	\$24,144,100
Permanent Damages	\$15,900

**Calculation of Temporary Damages**

The Appraiser then accounted for Temporary Damages as follows:

Construction Easements 1 and 2 Valuation		
Size of Construction Easement 1 (SF)		27,405
Size of Construction Easement 2 (SF)	+	8,799
<b>Total Construction Easement Area</b>	=	<b>36,204</b>
Concluded Per SF Rate Unencumbered For Subject Land	x	\$9.00
<b>Fee Value of Area Within Construction Easements</b>	=	<b>\$325,836</b>
Weighted Return*	x	9.75%
<b>Annual Dollar Return Encumbered</b>	=	<b>\$31,769</b>
Term of Easement (Years)	x	3
<b>Value of Construction Easements 1 and 2</b>		<b>\$95,307</b>
<b>Value of Construction Easements 1 and 2 (Rounded)</b>		<b>\$95,000</b>
*Base Return	6.75%	
Taxes	2.76%	
Insurance	0.20%	
Weighted Return	9.71%	
<b>Rounded</b>	<b>9.75%</b>	

Note: The Appraisal included valuation of a third temporary construction easement (1yr) at \$3,600, but this easement is not on the Taking Map before the Board.

### Calculation of Temporary Severance Damages

The Appraiser then accounted for Temporary Severance Damages as follows:

For one weekend the entrance to the subject property from Barnum Avenue Cutoff will be closed. All ingress and egress for the property during that weekend will be on Veterans Boulevard. With the exception of the one weekend, access to the subject property from Barnum Avenue Cutoff will not be impacted.

Construction Easement 1 will result in the temporary loss of 28 parking spaces on the northwest portion of the property and one parking space on the central portion of the property. Construction Easement 2 will result in the closure of the driving lane to the rear of the McDonald's restaurant drive-through lane and restrict mobility in that area of the parking lot and temporary loss of one parking space in the northeast corner of the subject site. The construction easements will be in place for a period of 3 years. Construction Easement 3 will result in the temporary loss of 6 parking spaces in the northwest corner of the subject site during the one-year construction easement.

The temporary reduction in parking, loss of mobility, and temporary closure of one curb cut on Barnum Avenue Cutoff for one weekend will have a negative impact on the subject property (market rent for the subject property will need to be reduced to compensate tenants for the loss of parking, mobility, and temporary closure of the curb cut on Barnum Avenue Cutoff).

To determine the severance associated with the temporary loss of 36 parking spaces (30 spaces for two years and 36 spaces for one year), the reduced mobility, and the closure of the curb cut on Barnum Avenue Cutoff for one weekend, the appraiser concludes a rental rate reduction to compensate the tenants.

The 36 temporary impacted parking spaces for the first year are 3.1% of the subject's total parking. The 30 temporarily impacted parking spaces for the second and third years of the construction period are 2.6% of the subject's total parking.

The temporary loss of 36 parking spaces for the first year, the reduced mobility, and the closure of the curb cut on Barnum Avenue Cutoff for one weekend is estimated to reduce the market rent at the subject property by 1.75% during the first year of the construction easement period, above half the percentage of the total parking to be impacted during the construction easement.

The temporary loss of 30 parking spaces for the second and third years of the construction period, the reduced mobility, and the closure of the curb cut on Barnum Avenue Cutoff for one weekend is estimated to reduce the market rent at the subject property by 1.50% the construction easement period, above half the percentage of the total parking to be impacted during the construction easement.

The annual reduction in market rent is calculated in the tables below. Market rent is projected to grow at 2% annually.

Rent Reduction Calculation: Year 1	
Market Rent (Annual)	\$2,927,243
% Reduction in Market Rent	1.75%
Annual Reduction in Market Rent	\$51,227

Rent Reduction Calculation: Year 2	
Market Rent (Annual)	\$2,985,788
% Reduction in Market Rent	1.50%
Annual Reduction in Market Rent	\$44,787

Rent Reduction Calculation: Year 3	
Market Rent (Annual)	\$3,045,503
% Reduction in Market Rent	1.50%
Annual Reduction in Market Rent	\$45,683

The Appraiser then discounted the Damages from a three-year term to Present Value as follows:

Construction Easements 1 and 2 will be in place for a period of 3 years. Construction Easement 3 will be in place for the first year. The present value of the total damages over the 3-year period is total temporary severance damages. Market rent is expected to grow at 2% annually. The rental reduction is discounted at a rate of 3%. The present value of the rent reduction over the 3-year period is calculated in the table below.

Present Value of Rent Reduction (3 Years)		
Discount Rate: 3.00%	Reduction	Present Value
Year 1	\$51,227	\$49,735
Year 2	\$44,787	\$42,216
Year 3	\$45,683	\$41,806
Total	\$141,696	\$133,757
<b>Rounded</b>		<b>\$134,000</b>

Total damages are then Permanent Damages plus Temporary Damages plus Temporary Severance Damages, or \$15,900 + \$95,000 + \$134,000 = \$244,900 (\$248,500 if temporary easement #3 is included).

Staff inquired with DOT for clarification of the following issues:

1. The Appraiser utilized a Taking Map that references a 4,120 square foot construction easement (Construction Easement #3) for the purpose of access and the storage/removal of a fence during replacement of Bridge 00326 to US Route 1 over Metro-North Railroad. The Appraiser also valued the Temporary Damages due to this temporary easement for one year at \$3,600, which is included in the Damages, as presented to the SPRB for review and action.
  - a) Please clarify if DOT is seeking to acquire this temporary easement as the Taking Map and Rights to be acquired presented to the SPRB do not reflect the temporary easement (#3), but do include the \$3,600 in Damages.
 

**DOT Response:** 4-6-22 - Upon further review of these matters, we discovered there was a map revision which I have uploaded to SPRB SharePoint.

**Staff Response:** DOT provided a revised map that corresponds to the map utilized in the Appraisers development of their market value. OK
  - b) Are the Damages \$248,500 as presented to the Board? Or \$244,900, representing the removal of so-called Construction Easement #3?
 

**DOT Response:** 4-6-22 - Upon further review of these matters, we discovered there was a map revision which I have uploaded to SPRB SharePoint.

**Staff Response:** Damages are correct at \$248,500. OK.
2. Construction Easement #2 states the purpose is for construction access for a retaining wall, sidewalk, grading, and installing sedimentation control system. Please clarify if the three-year duration for this temporary easement is accurate. Is the 3-year construction duration specifically to construct a retaining wall?
 

**DOT Response:**

**Staff Response:**

3. The Appraiser calculated Temporary Severance Damages over the three-year duration of the construction period. Within the Appraiser's narrative it was stated that the Appraiser expected annual market rent to grow by 2%/year. Please clarify if this 2% annual increase utilized is prudent when the Appraiser provided no market support for annual rental increases in the Estimate of Market Rent.

DOT Response: These escalations are common throughout the market. Below are four leases with similar escalations throughout the state.

1. Main Street, Stratford
  - a. Date: 7/1/2021
  - b. SF: 1,100
  - c. Rent/SF: \$20.18 with 3% annual escalation
2. Post Road East, Westport
  - a. Date: 6/11/2019
  - b. SF: 2,406
  - c. Rent/SF: \$41.00 with 2.5% annual escalation
3. Berlin Road, Cromwell
  - a. Date: 12/1/2018
  - b. SF: 2,670
  - c. Rent/SF: \$16.87 with 2% annual escalation
4. Main Street South, Woodbury
  - a. Date: 6/1/2018
  - b. SF: 2,400
  - c. Rent/SF: \$12.73 with CPI escalations

Staff Response: In light of the market data provided, escalations appear supported. OK

**RECOMMENDATION:** Staff recommend the Board suspension this proposal in the amount of \$248,500 pending response from DOT regarding the previous issue (#2).

<b>PRB #</b>	22-051
<b>Transaction/Contract Type:</b>	RE – Legislative Conveyance
<b>Origin/Client:</b>	DOT/DOT
<b>DOT Project #:</b>	132-97-25B
<b>Grantee:</b>	Town of South Windsor
<b>Property:</b>	South Windsor, Ellington Rd (7.08 acres)
<b>Project Purpose:</b>	Conveyance of 7.08 acres for Future Economic Development
<b>Item Purpose:</b>	Legislative Conveyance pursuant to SA 21-34 (1)

**RELEASE PRICE: \$0 (+ \$1,000 Administrative Fee)**

#### Project Background

In 2021, SB 1109 was raised to convey land in South Windsor to the Town of South Windsor. A Public Hearing was held on May 14, 2021 where DOT Commissioner Giulietti provided testimony before the Government Administration and Elections Committee. A portion of his testimony follows:

An abutting property owner approached the Department to purchase this property in 2019 to assemble to the adjacent property for development and the Department approved of the sale in accordance with CGS 13a-80. A map was prepared, and the Department prepared an appraisal report in accordance with CGS 13-80 which determined the value of the property to be \$265,000. The property is considered a non-conforming parcel and can only be sold to an abutter. An abutter bid was held which elicited a high bid of \$72,500. The Department rejected this offer as it was not within a reasonable range of the appraised value.

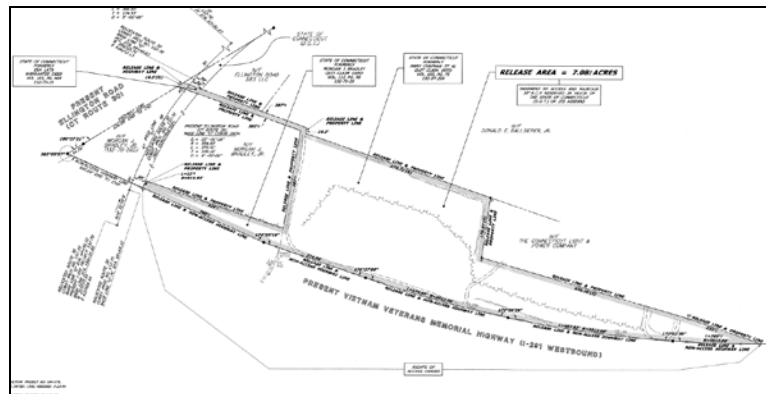


His testimony further recommended revisions to the proposed language regarding the Town's process regarding a sale of the land for economic development. The salient language recommended by the Commissioner was incorporated into the Special Act.

Under this Proposal (PRB #22-051) DOT has now submitted this Quit Claim Deed conveying approximately 7.08 acres of land to the Town of South Windsor pursuant to Section 1 of Special Act 21-34.

A summary of the conveyance is as follows:

1. Section 1 of Special Act 21-34 stipulates the conveyance of approximately 7.08 acres of land to the Town of South Windsor at a cost equal to the administrative cost of the conveyance.
2. Section 1(b) requires the Town to convey Parcel for economic development purposes within five years of the State's conveyance to the Town, or ownership of the Parcel reverts to the State.
3. Section 1(b) requires the Town to retain two Appraisers selected by the Commissioner and obtain two appraisals within six months of the State's conveyance to the Town, and updated as necessary. Any conveyance by the Town shall be made at a cost equal to fair market value, as determined by the average of the two appraisals obtained by the Town. Any proceeds from the conveyance shall be transferred to the State Treasurer for deposit into the Special Transportation Fund.
4. The deed description is consistent with the DOT release map.



By way of background information the property located at 249 Ellington Road, abutting the Release Parcel to the west, sold from Bradley J. Morgan, Jr, Living Trust to 249 Ellington Road, LLC on December 16, 2021 for \$250,000, or \$1.72/square foot (3.34 acres), as recorded in 2920/122 (per Assessor).

It should also be noted that the two properties abutting the Release Parcel to the north, located at 283 & 289 Ellington Road (same ownership entity) are listed for sale in the Multiple Listing System (MLS) for \$520,000, or \$2.25/square foot (5.3 acres). The MLS identifies the property as "UC" indicating the property is under contract to sell. The contract price is unknown to Staff. The property was originally listed on June 19, 2021 for \$570,000.

The Special Act Language is as follows:

AN ACT CONCERNING THE CONVEYANCE OF A PARCEL OF STATE LAND IN THE TOWN OF SOUTH WINDSOR.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (Effective from passage) (a) Notwithstanding any provision of the general statutes, the Commissioner of Transportation shall convey to the town of South Windsor a parcel of land located in the town of South Windsor, at a cost equal to the administrative costs of making such conveyance. Said

parcel of land has an area of approximately 7.08 acres and is identified on a map entitled "Compilation Plan; Town of South Windsor; Map Showing Land released to \_\_\_\_ by the State of Connecticut Department of Transportation; Vietnam Veterans Memorial Highway (I-291 Westbound) @ Ellington Road (CT Route 30), scale 1"= 40', April 2019", and is designated by the Department of Transportation as File No. 132-97-25B. The conveyance shall be subject to the approval of the State Properties Review Board.

(b) The town of South Windsor shall sell said parcel of land for economic development purposes. If the town of South Windsor does not sell said parcel for economic development purposes within five years after the conveyance of the parcel to the town under this section, the parcel shall revert to the state of Connecticut. Any sale by the town of said parcel shall be made at a cost equal to the fair market value of said parcel, as determined by the average of the appraisals of two independent appraisers selected by the Commissioner of Transportation. Such appraisals shall be completed not later than six months after the conveyance of the parcel to the town under this section and shall be updated as necessary. Any funds received by the town of South Windsor from a sale in accordance with this subsection shall be transferred to the State Treasurer for deposit in the Special Transportation Fund.

(c) The State Properties Review Board shall complete its review of the conveyance of said parcel of land not later than thirty days after it receives a proposed agreement from the Department of Transportation. The land shall remain under the care and control of said department until a conveyance is made in accordance with the provisions of this section. The State Treasurer shall execute and deliver any deed or instrument necessary for a conveyance under this section, which deed or instrument shall include provisions to carry out the purposes of subsection (b) of this section. The Commissioner of Transportation shall have the sole responsibility for all other incidents of such conveyance.

Approved July 13, 2021

**RECOMMENDATION:** Staff recommends approval of the Legislative Conveyance for the following reasons:

1. The Quit Claim deed is consistent with Section 1 of Special Act 21-34, signed by the Governor on July 13, 2021;
2. The conveyance requires the Town to sell the land based on the average of two appraisals, by Appraisers selected by the Commissioner of DOT;
3. The conveyance includes a reverter clause if the land is not sold for economic development purposes within five years; and
4. The deed description is consistent with the map description.

<b>PRB #</b>	22-067
<b>Transaction/Contract Type:</b>	RE / Assignment of Space
<b>Origin/Client:</b>	DAS / DECD-OWS
<b>Property:</b>	Hartford, Columbus Blvd (450)
<b>Project Purpose:</b>	DECD-OWS Relocation to 450 Capitol Ave (OPM)
<b>Item Purpose:</b>	Assignment of Space Pursuant to CGS 4b-29

The Department of Administrative Services (“DAS”) is requesting SPRB approval pursuant to CGS 4b-29 for the temporary relocation of four staff assigned to the 4<sup>th</sup> & 5<sup>th</sup> floors at 450 Columbus Boleveard, in the Department of Economic and Community Development’s Office of Workforce Strategy (OWS) to the 2<sup>nd</sup> floor at 450 Capitol Avenue, Hartford.

The temporary relocation is to facilitate legal counsel to OWS provided by OPM General Counsel. DAS reports there is no expense to relocate the four staff as existing personnel assigned to DAS will execute the relocation.

OPM has previously approved (4-13-22) the location of staff pursuant to CGS 4-67g(f) “(f) Each state agency shall request and obtain the written approval of the secretary or his or her designee prior to any

(1) change in ownership of state real property, (2) change in use of state real property, (3) use of state real property by an entity other than a state agency, or (4) use of state real property by a state agency other than the state agency with custody and control over such state real property. For purposes of this subsection, “state agency” does not include a constituent unit of the state system of higher education, a technical high school or an agency in the legislative or judicial branch of state government.”

**RECOMMENDATION:** Staff recommend approval of this Proposal to assign space at 450 Capitol Avenue to relocation four OWS Staff on a temporary basis.

### **The Office of Workforce Strategy**

[https://portal.ct.gov/GWC/OWS-Initiatives#:~:text=The%20Office%20of%20Workforce%20Strategy%20\(OWS\)%20is%20a%20division%20of,Governor's%20Workforce%20Council%20\(GWC\).](https://portal.ct.gov/GWC/OWS-Initiatives#:~:text=The%20Office%20of%20Workforce%20Strategy%20(OWS)%20is%20a%20division%20of,Governor's%20Workforce%20Council%20(GWC).)

### **About us**

**The Office of Workforce Strategy (OWS)** is a division of the CT Department of Economic and Community Development that serves as the administrative staff to the [Governor’s Workforce Council](#) (GWC).

**Our vision** is for every Connecticut resident to have access to a meaningful career pathway and the support needed to fulfill their aspirations and for every Connecticut business to have access to a skilled workforce.

**Our mission** is to build the systems, teams, and approaches that will make Connecticut a talent environment that attracts and motivates students, career builders, and companies alike.

### **School District Support for the 2021-22 School Year**

Consistent with the priorities of the [GWC Strategic Plan](#), OWS is offering strategic planning and technical assistance to Connecticut public schools and school district officials that wish to expand their career readiness programming during the 2021-22 school year. These offerings will include:

- **Career Pathways:** Technical assistance to districts and schools seeking to develop new career-focused courses, giving middle and high students essential skills to begin their career in an in-demand industry
- **Work Based Learning:** Support to districts and schools in fostering local employer partnerships to develop internship, pre-apprenticeship, job shadow, or mentorship opportunities for middle and high school students
- **Dual Credit/Dual Enrollment:** Strategic support to districts and schools interested in developing new opportunities for high school students to earn college credit in a professional area of interest while working towards high school graduation requirements
- **Digital Literacy Professional Development:** Assistance to districts and schools in forming partnerships with leaders in the technology and tech education sectors who can offer high quality digital literacy training to teachers. This will be crucial for K-12 educators who wish to make continued use of the unprecedented influx of technology into schools over the past year by effectively embedding technology into in-person learning experiences going forward.

Superintendents, district officials, and school principals seeking to learn more about ways in which OWS can support the expansion of career readiness opportunities for students should contact Molly Thomas at [Molly.Thomas@ct.gov](mailto:Molly.Thomas@ct.gov).

### **OWS Leadership & Staff**

[Kelli-Marie Vallieres, PhD](#) | Executive Director

[Niall Dammando](#) | Chief of Staff

[Molly Thomas](#) | Senior Education Policy Advisor

[Laura Baker](#) | Workforce Development Specialist

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

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

**7. OTHER BUSINESS**

**8. VOTES ON PRB FILE:**

**PRB FILE #22-024** – Mr. Halpert moved and Mr. Berger seconded a motion to return PRB FILE #22-024. The motion passed unanimously.

**PRB FILE #22-035** – Mr. Valengavich moved and Mr. Halpert seconded a motion to suspend PRB FILE #22-035. The motion passed unanimously.

**PRB FILE #22-051** – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-051. The motion passed unanimously.

**PRB FILE #22-067** – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #22-067. The motion passed unanimously.

**9. NEXT MEETING** – Thursday, April 21, 2022.

The meeting adjourned.

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