

STATE PROPERTIES REVIEW BOARD

Minutes of Special Meeting Held On June 30, 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 June 30, 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 June 28, 2022 Special Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

PRB #:	22-063
Transaction/Contract Type:	RE/ Purchase & Sale Agreement
Origin/Client:	DAS/DAS
Property:	Hartford, Trinity Street (18-20 & 30)
Project Purpose:	Sale of Surplus Property pursuant to CGS 42-21(e)
Item Purpose:	Purchase and Sale Agreement

Sale Price = \$1,100,000

At the State Properties Review Board meeting held on May 12, 2022, the Board voted to suspend this file pending Board clarification of the following issues:

1. Please provide the scoring matrix/documentation DAS utilized in selecting Pennrose, LLC as the preferred Buyer of these two properties;
2. Please provide a written explanation with respect to why a Respondent's \$1,800,000, the highest price offered to the State, was excluded from further consideration, in light of the Respondent's completion of four similar projects (554 residential units + 20ksf retail) in Hartford at 5 Constitution Plaza, 101 Pearl St, 111 Pearl St and 100 Trumbull St.

3. Provide justification why DAS does not consider this a “state action” per CEPA given that the Statement of Objectives referenced specific type of development as a City Plan priority.

SPRB response to DAS Supplemental Memo dated May 23, 2022 (in red)

As you know, the SPRB suspended the purchase and sale for the above referenced property for additional information. Please see below:

1. Per your request, please find attached the scoring matrix that the team (consisting of myself, Anne Peterson and Jenna Padula, both attorneys in our division and Tom Piacenza, a property agent 2) used in analyzing the proposals. Please note the following:
 - a) The five factors evaluated were taken out of the RFP. Respondents knew the evaluation criteria up front.
 - b) Each factor was weighted with the purchase price receiving the highest weight of 30%.
 - c) The team evaluated the written response for the proposers.
 - d) Low scores were given in cases in which the respondent either did not follow the RFP or their responses did not meet the requirements (zoning or Bushnell South or City of Hartford plan).
 - e) Typically, we do not use an evaluation matrix like this because we do not have so many responses to an RFP. Hence, we will not always have this to provide to the Board.

6-13-22 SPRB Response: Please provide the individual scoring sheets for each of the four DAS Staff evaluating the responses to the RFP.

6-15-22 DAS Response: Attached.

6-16-22 SPRB Response: Staff reviewed and summarized the scoring. The review also included verifying formulas within the DAS-created spreadsheet.

Most interesting is the scoring of the Financial Consideration (see below). Bushnell did not make an offer and received a total of 10 points, equal to that of Beacon. Trinity offers \$1.0MM and Pennrose offers \$1.1MM and both scored 14 points. However, Beacon offers \$1.425MM and receives 10 points.

Please reconcile DAS should provide a specific rationale for these differences.

SPRB Summary	\$1.55MM less infrastructure		\$1.425MM		\$1.1MM		\$0 (no offer)		\$1.8MM		\$1.0MM	
	Spinnaker		Beacon		Pennrose		Bushnell		Spectra		Trinity	
1. Financial consideration provided. 30% weight	5	30.0%	10	30.0%	14	30.0%	10	30.0%	20	30.0%	14	30.0%
2. Overall benefit to the City of Hartford and the State of Connecticut. 20% weight	16	20.0%	20	20.0%	19.5	20.0%	7	20.0%	11	20.0%	7	20.0%
3. Apparent feasibility of the proposed project. 25% weight	17	25.0%	20	25.0%	20	25.0%	9	25.0%	14	25.0%	18	25.0%
4. Depth and quality of experience with similar projects and apparent financial capacity to undertake the envisioned project. 20% weight	20	20.0%	20	20.0%	20	20.0%	9.5	20.0%	14	20.0%	20	20.0%
5. Adherence to RFP requirements and extent of any adverse circumstances. 5%	19	5.0%	16	5.0%	20	5.0%	12	5.0%	11	5.0%	14	5.0%
TOTAL SCORE	77	100.0%	86	100.0%	93.5	100.0%	47.5	100.0%	70	100.0%	73	100.0%
SPRB Summary	13.9		16.8		18.1		9.15		15.05		14.8	
DAS Scores calculated by Staff	13.9		16.55		18.1		9.15		15.05		14.8	
DAS 5-23-22 Scores in Red	19.125		21.5		23.375		11.875		15		19	

6-28-22 DAS Response:

	deposit	time to close (from state approvals)	due diligence period	ability to get financing	proposed purchase price
Bushnell	\$250K	none provided	None stated	Low confidence - couldn't be determined, no purchase price offered, cash on hand	
Trinity	\$100K	24 months + 12 Months	90 days	Low confidence - 72% housing structured to be above Hartford Median Income	\$1.0mm
Beacon	\$71,275	Q4 2023	90 days	higher confidence than above but lower than Pennrose due to 28% apts. market rate	\$1.425mm
Pennrose	\$50,000	Q3 2022	6 months	High confidence, 80% market 20% affordable, most feasible combination for financing	\$1.1mm-\$1.65mm

Beacon's higher purchase price was offset by the longer holding period for the state (annual carrying costs for both buildings is \$750K) by the later proposed closing date. And our understanding that Pennrose proposed the most feasible percentage of market rate and affordable rate housing.

6-16-22 SPRB Response: With DAS acknowledging that the scoring of the 'Financial

Consideration' with the Proposal offered by Beacon was negatively impacted by the Proponent's longer, 24-month period to closing, in light of DAS' annual holding costs (\$750k/yr).

2. As explained at the Board meeting purchase price is one of 5 considerations (an important one and as pointed out above it has the highest weight). The Spectra proposal was not selected for the following reasons:
 - a) The respondent's proposed project, "upscale" units is not consistent with the City of Hartford and Bushnell South plans for the area and therefore would not receive the necessary local approvals. A mix of affordable and market rate apartments is.
 - b) Their project floor plans were basic with little effort as compared to the selected Pennrose project.
 - c) Pennrose's minimal purchase price is \$1.1m with the potential to be \$1.65m if financing is available. Spectra can terminate the deal if they don't get financing for their \$1.8m so in reality that number may not actually be doable.
 - d) The team used the evaluation matrix and Spectra was 4th out of 6, you absolutely cannot go back and say, "well ok let's go with them because they offered more", that completely would ignore the process, and the other 4 factors which are important as well.

6-13-22 SPRB Response: In the summary of scoring provided to the SPRB (below) please reconcile how Spectra's higher \$1.8MM offer was scored at **16** and Beacon's \$1.425MM offer scored at **21.5** with Pennrose's lower \$1.1MM offer scored at **23.5**.

6-15-22 DAS Response: Please disregard the original table shown below, as it appears to be confusing.

RFP CRITERIA	PROPOSAL EVALUATION SCORES	Spinnaker	Beacon	Pennrose	Bushnell	Spectra	Trinity
1. Financial consideration provided. 30% weight	Shane	17.5	21.5	23.5	10.5	16	19
2. Overall benefit to the City of Hartford and the State of Connecticut. 20% weight	Jenna	19.5	21.5	23.5	12	19	19
3. Apparent feasibility of the proposed project. 25% weight	Anne	19.5	21.5	23	12.5	9	19
4. Depth and quality of experience with similar projects and apparent financial capacity to undertake the envisioned project. 20% weight	Tommy	20	21.5	23.5	12.5	16	19
5. Adherence to RFP requirements and extent of any adverse circumstances. 5% weight							
TOTAL SCORE		19.125	21.5	23.375	11.875	15	19

I am including the rating sheet from each professional designated by the agency to serve on the selection panel. Each sheet shows the reviewers score between 0-5 and the weighted score for each proposer in every RFP Criteria category. As you know, purchase price is only one factor in financial consideration. As discussed, the financial consideration criteria were weighted the highest at 30%.

6-16-22 SPRB Response: Staff reviewed (see #1 above) and based on the review, this chart is not only confusing, but does not properly reflect the actual scoring. OK

3. After further discussing whether this is a state action, with several people and receiving different answers, I have concluded to err on the side of caution and that we will consider this a state action and proceed accordingly. I have been in touch with the buyer, and they have agreed to fund the actions required in the CEPA (see attached letter) as contemplated in the RFP.

6-13-22 SPRB Response: During the DAS/SPRB Teams Meeting, it was confirmed that this conveyance will be subject to CEPA - CGS §22a-1 through 22a-1h. This was also evidenced in the DAS 5-19-2022 communication to Pennrose.

Please clarify the following:

- a) What remedies are available to the State should the entitlements granted by the City of Hartford differ from those proposed in the response to the selected RFP?

6-15-22 DAS Response: If you are asking about something between the City and the preferred buyer after the state has sold the property it would not involve the State. If you are asking before

closing, this purchase and sale agreement has a series of purchasers' contingencies they must meet as a condition to closing. If they do not, they will terminate the agreement.

6-13-22 SPRB Response: Pennrose had presented, among others 110 units (80/20) and a restaurant and was scored on this Proposal. OK

- b) Other than Article 14(a) of the Purchase and Sale Agreement (Default) which appears vague, where in the Purchase and Sale Agreement is the State's right to terminate the Agreement should the entitlements granted by the City differ from those proposed in the response to the selected RFP?

6-15-22 DAS Response: First, you must understand this is THEIR proposed project. If they can get their approvals timely, they will proceed to closing. If not, they will terminate or if they do not meet the time frames, we put into the agreement we have the right to terminate.

6-27-22 SPRB Response: DAS reiterated that Pennrose can change any aspect of their request before and waive their contingencies and proceed to closing with no recourse by DAS.

- c) In light of the RFP, DAS' subsequent scoring of responses and selection of Preferred Purchaser, how will DAS ensure actual development reflects Pennrose's response to the RFP?

6-15-22 DAS Response: This is THEIR proposed project, every contingency ties back to what they plan to do there. If they are unable to obtain them, they will terminate. It's worth noting, that their plan is within the existing zoning and therefore no approvals are necessary for zoning. Part of the reason they were selected was their detailed plan and they have a way to get there.

6-16-22 SPRB Response: While DAS states it is "THEIR" proposal, the RFP provided specific direction in the RFP (Bushnell South Plan/CRDA, City), it was for 110 residential units and a main level restaurant (among others) and was scored as such. While zoning may permit mixed use, the actual number of units may be subject to approval.

6-27-22 SPRB Response: DAS reiterated that regardless of what entitlements are received the Proponent can waive their contingencies and move to closing. OK

- d) If this conveyance is subject to CEPA, please reconcile with the DAS 3-2-2021 Notice in the Environmental Monitor stating a conveyance in fee-simple and "the state is not currently proposing restrictions on future uses."

Type of Sale or Transfer:

<input checked="" type="checkbox"/>	Sale or transfer of property in fee
<input type="checkbox"/>	Sale or transfer of partial interest in the property (such as an easement). Description of interest:

Proposed recipient, if known: Offered to the general public

Proposed use by property recipient, if known: N/A

The agency is proposing to transfer the property with the following restrictions on future uses:

<input checked="" type="checkbox"/>	If checked, the state is not currently proposing restrictions on future uses.
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<https://portal.ct.gov/CEQ/Environmental-Monitor/Environmental-Monitor-Archives/2021/March-2-2021>

6-15-22 DAS Response: As you know, we are required to do an Environmental Monitor on every surplus property to be sold early in the process. CEPA will require scoping and another notice which will now be worded differently, if appropriate since certain people believe this is a state action. Please note DCS has hired a person to fill the Environmental position and he will be assisting us with the CEPA.

6-16-22 SPRB Response: The April 16, 2022 RFP does not comport with the original posting in the Environmental Monitor issued on March 2, 2022. If there were no restrictions, there would be no State Action. OK

- e) Please clarify if the RFP issued in April 2021 and subsequent evaluation process conflicts with the content published in the March 2021 Environmental Monitor.

6-15-22 DAS Response: See above.

6-16-22 SPRB Response: See above.

- f) Please clarify if those correspondences delivered pursuant to CGS §4b-21 to the Mayor of Hartford and the City's Legislative Delegation should be reissued to fully inform those Representatives of the State's Action.

6-15-22 DAS Response: The letters do not need to be re-done. Moreover, the state's delegation can approve, deny, or let the contracts proceed under statute (after SPRB approval GAE and FIN committees receive the purchase sale agreement). The city is the approver of this project and therefore also has approvals they can or cannot provide.

6-16-22 SPRB Response: OK

- g) In the DAS 5-19-2022 communication to Pennrose, second paragraph, it was inferred an Environmental Impact Evaluation ("EIE") may not be necessary. Please clarify what Exception pursuant to CGS §22a-1f relieves this requirement.

6-15-22 DAS Response: That is the standard language, the word "may" is not conclusive language, an EIE may be necessary (it is not a forgone conclusion at this stage), and the preferred buyer is aware of that.

6-16-2022 DAS Response: Statute does not provide an exception for this type of Project.

Sec. 22a-1f. Exceptions. (a) Environmental impact evaluations need not be prepared for projects for which environmental statements have previously been prepared pursuant to other state or federal laws or regulations, provided all such statements shall be considered and reviewed as if they were prepared under sections 22a-1a to 22a-1f, inclusive.

(b) Environmental impact evaluations shall not be required for the extension of the project otherwise known as the Connecticut River Interceptor Sewer Project, or a project, as defined in subdivision (16) of section 10a-109c, which involves the conversion of an existing structure for educational rather than office or commercial use.

(c) A constituent unit of the state system of higher education may provide for environmental impact evaluations for any priority higher education facility project, as defined in section 4b-55, or for any higher education project involving an expenditure of not more than two million dollars, by (1) reviewing and filing the evaluation for such project with the Office of Policy and Management for its review pursuant to section 22a-1e, or (2) including such project in a cumulative environmental impact evaluation approved by the Office of Policy and Management.

(d) Notwithstanding section 22a-1b, any environmental impact evaluation completed for proposed improvements for the Rentschler Field Development shall be deemed to include any industrial reinvestment project, as defined in subdivision (8) of subsection (a) of section 32-4m, including, but not limited to, any such planned or proposed project, any segment of such project and any state-certified industrial reinvestment project, as defined in subdivision (12) of subsection (a) of section 32-4m.

(e) Environmental impact evaluations shall not be required for actions in furtherance of the implementation of any approved program, as defined in 15 CFR Part 700, for the construction of nuclear submarines if such approved program has been given the priority rating of DX in accordance with said part on or before the effective date of this section under the United States Department of Defense Defense Priorities and Allocations System.

6-27-22 SPRB Response: DAS reiterated that it is proceeding with this conveyance with the understanding that CEPA will apply.

RECOMMENDATION: Staff recommend approval of the Purchase and Sale Agreement in the amount of \$1,100,000 for the sale of the two surplus properties on Trinity Street.

- DAS has provided documentation that satisfies the requirements for the sale of surplus state property.
- The property was vetted by other State agencies, including DOT, but no alternate State needs were identified.
- As required by CGS §4b-21 & §3-14b the legislative delegation and the municipality were notified. The City of Hartford declined purchase.
- In accordance with CGS §4b-47, the public was notified and comments and proposals were solicited in the Environmental Monitor.
- The property was advertised in April 16, 2021, with marketing efforts commensurate with the size and scope of the property.

Sale Price = \$1,100,000

18-20 Trinity Street consists of an 87,637 square foot office building on a .85 acre, level and essentially rectangular shaped lot with frontage on both Trinity Street and Clinton Street. There are 43 on-site parking spaces on this parcel. The parcel has 122' on Capitol Avenue & 103' on Clinton Street.

The site is improved with a vacant, 5-story, office building of approximately 87,637 gross square feet. The temperature control of the building is provided by hot and chilled water from CAS (Capital Area District Heating and Cooling System). The building has 3 passenger elevators. The property is located in a Historic Preservation District and is directly across the street from the Capitol and adjacent to the Bushnell.



Courtesy: <https://portal.ct.gov/RealEstate4Sale/18-20-Trinity-Street-Property/About>

30 Trinity Street consists of a 76,665 square foot office building on a .80 acre slightly sloping, rectangular shaped lot on the corner of Trinity Street and Elm Street. There are 24 on-site parking spaces on this parcel. The parcel has 142' on Trinity Street & 261.7' on Elm Street.

The site is improved with a vacant, 4-story, office building of approximately 76,665 gross square feet. The temperature control of the building is provided by hot and chilled water from CAS (Capital Area District Heating and Cooling System). The building has 2 passenger elevators. The property is located in a Historic Preservation District and is directly across the street from the Capitol and adjacent to the Bushnell.



Courtesy: <https://portal.ct.gov/RealEstate4Sale/30-Trinity-Street-Property/About>

The Properties are both located in a Mixed Use (MX-1) Zone, are within the Government district, are in the Central Business District and the Asylum Avenue historic district. The 18-20 Trinity Street parcel abuts Bushnell Theater and the 30 Trinity Street parcel looks on to Bushnell Park to the North. The Properties are directly across the Street from the State Capitol and within a short walk to the Legislative Office Building and State courthouses. They are within a mile walk or drive from Union Place and Sigourney Street stations, XL Center, Wadsworth Atheneum, UCONN Hartford, Connecticut Science Center, Capital Community College and Dunkin Donuts Park.

DAS states the holding costs for this property averages \$754,000 per year.

DAS initiated the surplus process pursuant to CGS 4b-21(b) on January 13, 2021 when DAS declared the property surplus to its needs. All occupants were relocated to either 55 Farmington Avenue or 165

Capitol Avenue. OPM notified all state agencies and did not receive any re-use proposals. In February 2021, OPM informed DAS to proceed with the sale process.

DAS originally obtained two appraisals and subsequently obtained a third appraisal:

Appraiser	FMV – 18-20 Trinity	FMV – 30 Trinity	Highest & Best Use
CBRE	\$1,900,000.00	\$1,300,000.00	Conversion into apartment units
Kerin Fazio, LLC	\$1,150,000.00	\$980,000.00	Mixed use
Elm Realty Advisors	\$1,340,000.00	\$1,320,000.00	Multifamily oriented mixed use

Proponent	Building	Land	HABU
CBRE – 18-20 Trinity	\$1,900,000	\$900,000	Apt conver.
CBRE – 30 Trinity	\$1,800,000	\$900,000	Apt conver.
Elm – 18-20 Trinity	\$1,340,000	N/A	Apt conver.
Elm – 30 Trinity	\$1,320,000	N/A	Apt conver.
Fazio – 18-20 Trinity	\$1,150,000	N/A	Office
Fazio – 30 Trinity	\$980,000	N/A	Office

Pursuant to CGS 4b-21(e) and 3-14(b), on February 25, 2021 DAS offered to convey to the City of Hartford for the following:

The purchase price is established based on the City’s appraised value as follows:

18-20 Trinity Street: \$ 4,933,200
30 Trinity Street: \$ 3,760,600

The City responded it had no interest in the property.

On March 2, 2021, the notice of the sale was published in the Environmental Monitor pursuant to CGS 4b-47. No comments were received on the proposed sale.

Pursuant to CGS 4b-21(f)(1)(C), on April 7, 2021 DAS notified the Members of the Legislative Delegation representing the City of Hartford.

DAS issued the Request for Proposals (RFP) which commenced on April 16, 2021 and concluded on July 9, 2021. Part of the RFP included the following:

<p>B. <u>Development Considerations</u></p> <p>Commissions and Similar Fees. Under no circumstances will DAS or other state entities or agencies be liable for any real estate brokerage commissions, finder’s fees, or other forms of compensation related in any way to activities undertaken by any person or entity as a result of this RFP.</p> <p>Connecticut Environmental Policy Act (“CEPA”). Redevelopment of the Property may be subject to CEPA which will require an Environmental Impact Evaluation (EIE). If so, DAS and/or DECD will be the sponsoring agency and submitter of the EIE but expects that the EIE will be prepared by the Proposer at its sole expense.</p> <p>Zoning and Entitlements. The Property is currently zoned MX-1 (mixed use). Proposers will be responsible for securing all permits for the work, including the general building permits and any rezoning and/or approvals or entitlements required for the envisioned redevelopment project.</p>

Included in the RFP was a requirement for each Respondent to meet the following Requirements:

II. Proposal Submission Requirements

Note: unnecessarily elaborate brochures and other presentations, beyond those sufficient to present a complete and effective proposal are neither necessary nor desired. Maximum page limits are indicated below for each section.

A. Concept (maximum of four pages)

Provide information describing the concept that is consistent for the reuse or redevelopment of the Property. At a minimum, the following items should be addressed in this section:

1. Description of the proposed project on the Property including number, square footage, and types of uses to be created; anchor tenant uses; schedule; approach to providing any required debt and equity; local, state, or federal assistance or actions; and other aspects necessary to convey an understanding of the scope and nature of the envisioned project and how it promotes the City of Hartford's vision for the area and the State of Connecticut's desire for economic development.
2. Visual information to further illustrate the proposed concept (e.g., conceptual drawings, letters of intent, narrative, schedule/timeline, and site plan, etc.) provided in an appendix would be excluded from the page limitation.

B. Qualifications (maximum five pages)

Provide information describing Proposer's qualifications, experience and past performance in the design, construction, financing, operations, and maintenance of a project of comparable size and scope as that proposed for the Property and demonstrate Proposer's ability to fund predevelopment costs. At a minimum, the following items should be addressed in this section:

1. Identification, organizational history, background, and qualifications of the firm(s) comprising the project team, key individuals, and their anticipated roles in the project.
2. Identification and brief biography of the person(s) who would be primarily responsible for interfacing with DAS in negotiating a final purchase and sale agreement.
3. Examples of projects completed within the last five years that demonstrate relevant development experience, particularly those with public partners located in Connecticut. For each project, describe the size and type(s) of uses, summarize the approach to providing debt and equity, indicate the team members completing the work, and describe how the project benefited the community at-large.
4. Proof of funds is required.

C. Financial Offer (no page limit)

Provide information describing Proposer's offer to the State to purchase the Property. At a minimum, the following items should be addressed in this section:

1. Relevant terms and conditions for the purchase of either 18-20 Trinity or 30 Trinity or both, but not limited to, the following:
 - a. Purchase price, or other terms, including any adjustments for closing date, entitlements received, or other factors.
 - b. Earnest money amount, timing, and conditions.
 - c. Due diligence period, conditions to close, and timing to close.
 - d. All proposed terms or conditions.
2. A sample Purchase and Sale Agreement for sales by the State of Connecticut is presented in Attachment E.

III. Evaluation of Proposals

Proposer's information should be prepared simply and economically, providing a straightforward, concise description of how each requirement will be met. Emphasis should be on completeness and clarity of content.

Failure to respond to all points may be grounds for rejection. Likewise, failure to supply any information required to accompany the proposals may cause rejection of the proposal as noncompliant. DAS reserves the right to request additional information and/or presentations if clarification is needed. Proposals that do not substantially conform to the contents of the request may be disregarded and considered as unresponsive. DAS reserves the right to reject all proposals and cancel the RFP.

A. General Process

The award will be based upon a comprehensive review and analysis of proposals to select the proposal which best meets the needs of the State of Connecticut and other stakeholders such as the City of Hartford.

B. Best Value Award

Award(s) will be made to the proposer(s) offering the best value as determined by DAS. By submitting a proposal in response to this RFP, a proposing party concurs with this method of award and will not, under any circumstances or in any manner, dispute any award made using this method. The award will be contingent upon the successful negotiation of specific terms and conditions to be included in the resulting contract. DAS reserves the right to negotiate with one or more Proposers, including but not limited to sales price, use, terms and conditions before making the final selection.

C. Criteria

Each proposal will be assessed for its feasibility, responsiveness, effectiveness, and thoroughness. Each proposal will be evaluated based on the following criteria:

- Financial consideration provided.
- Overall benefit to the City of Hartford and the State of Connecticut.
- Apparent feasibility of the proposed project.
- Depth and quality of experience with similar projects and apparent financial capacity to undertake the envisioned project.
- Adherence to RFP requirements and extent of any adverse circumstances.

The order in which the selection criteria are listed is indicative of their relative importance.

DAS received the following six responses to the RFP:

	<u>Spinneraker</u>	<u>Additional Notes</u>
Concept/Overall Plan	8 townhomes and 100+ apartments 15,000 square feet of retail/restaurant 12,500 square feet public courtyard roof deck and other amenities ground floor restaurant/retail expected to spill into outdoor common space	Spinneraker offered a diverse proposal including 100+ apartments, 15,000 sf of retail space, the redevelopment of the existing parking lots into town homes, outdoor living space and other amenities. They currently own nearby vacant parcels that they intend to repurpose as parking for this project. Quote from proposal: "We have the ability, with the other parcels within our control to participate in a comprehensive parking plan / district together with CRDA and the City. We highly recommend that a discussion occurs regarding district wide parking prior to a final determination on this RFP as it relates to parking." Additionally they are a well qualified developer with a proven track record. They essentially offer \$1.00 for each building contingent on obtaining a 15 year tax "fixing" contingency, not a complete abatement however and also on obtaining a loan from CRDA. The offer is also contingent on physical inspections, permitting, zoning & title. Their proposed plan would offer significant benefit to the City however. They offer no timeline for project to reach substantial completion.
Concept/Overall Plan	Compliant with the Bushnell South Redev. Plan 95 mixed income apartments. 67 deed-restricted affordable apartments, 28 market rate units. 18,000 sf of non-residential space to include: Black Box theater with less than 100 seats for small productions with live in artist residence & bar/café Anchor tenant restaurant space on top floor w/rooftop lounge & dining terrace Additional 5,500 sf bay for gallery, retail and/or café space Proponent to implement sustainable building measure where possible.	Beacon has offered a detailed and thorough proposal including 95 mixed income apartments, and 18,000 sf of retail space including a top floor anchor tenant restaurant space, small retail unit, theater space and a rooftop lounge. They submitted detailed floor plans for 18-20 however nothing for 30. Their plan includes the redevelopment of the outdoor space to flow with the Bushnell South redev plan. Their proposed redevelopment would be of great benefit to the City.

		Pennrose	Additional Notes
Concept/Overall Plan	Bushnell South plan compliant Housing, 110 apartments 80% unrestricted & 20% affordable Ground floor rest. (Plan B Burger Bar)/retail space Roof deck on 18-20 (garden amenity) Outdoor plaza between 18-20 & 30 Trinity Co-working spaces Space utilization: Residential: 81% Commercial: 4% Amenities: 9% Management/other: 6%		Penrose has also submitted a thorough proposal including a mixed use redevelopment with 100+ apartment units incl 20% affordable and 80% market, restaurant/retail space, co-working space, street scape improvements a rooftop garden and many amenities for the residents. They are highly qualified with a proven ability to obtain the requisite financing needed to complete a project such as this. Their proposal is in conformance with the Bushnell South Redev Plan and would be of great benefit to the City.
		Bushnell	Additional Notes
Concept/Overall Plan	Bushnell South plan compliant No detailed information on apartments, etc.		The Bushnell has proposed that they be the selected purchaser with the intention of being the developer working in conjunction with a non-profit partner or commercial fee-based developer. The following is noted from their proposal: "Our intention is to structure the proposed development as a commercial for-profit development that will pay all appropriate real estate taxes and Unrelated Business Income Taxes (UBIT) on income deemed to fit within those definitions. However, all profits derived from the development will go to further the mission of The Bushnell and its many commitments to broaden community benefit. We believe that this is an important and relevant distinction for DAS to consider in the context of the need for the large state and City subsidies needed for the project. Public subsidies are better used on behalf of a non-profit institution resident in the project area itself." This said, the Bushnell is not in the Real Estate Development business, however they have partnered with extremely reputable and qualified consultants on the project. Additionally the Bushnell's team are high successful individuals with many entrepreneurial accomplishments as evidenced in their bio's in the proposal and the continued success of the Bushnell Theater itself. The Bushnell's team are the catalyst behind the Bushnell South Master Plan including obtaining the funding to complete the study of the area. Their proposal ties into their proposed redevelopment of the entire area as a "Bushnell Themed" promenade. They are proposing 100% residential development.
Plans, layouts, renderings	Several provided, professional		
Parking	Contingent on obtaining additional parking, no specifics		
Timing of Project, estimated closing			
		Wonder Works	Additional Notes
Concept/Overall Plan	30 T - 56 "Upscale" units and Amenities incl 5,500 square feet of amenity spaces such as Fitness Center, Yoga/Dance Studio, Business Center, Library, Game rooms and Movie Theater. 18-20 T - 71 "Upscale" units and Amenities incl 6,500 square feet of amenity spaces such as Fitness Center, Yoga/Dance Studio, Business Center, Library, Game rooms and Movie Theater.		The Spectra proposal lacked concept and parking detail, there was no site plan redevelopment and the floor plans were basic. They have a proven track record of past projects but there is not detail regarding their financial resources. This proposal does not maximize the building's potential.
		Trinity Financial	Additional Notes
Concept/Overall Plan	99 luxury Residential units, 72% for residents above downtown Hartford's median income.		99 units of first-class, luxury apartments. This investment will ensure that the properties become a showcase in the community, able to command the best rents Trinity submitted a detailed proposal however the concept is basic and not what would be considered "highest and best use" of the buildings. The Trinity team is highly qualified and have the ability to follow through on projects as evidenced through their past projects.

A panel of myself as chair, Anne Peterson, Jenna Paula and Thomas Piacenza was convened and have weighed the different factors and have arrived at a preferred purchaser.

Six proposals were received (summarized in the attached excel spread sheet). There were two clear front runners, Beacon and Pennrose.

Price	Time to Close	Use
Beacon: \$1.425m	24 months from selection	55%Market/45% Affordable Commercial
Pennrose: \$1.1 to \$1.650m*	12-15 months, state approvals	80%market/20% affordable Commercial

*will increase purchase price from \$1.1m to \$1.65m if additional resources can be found.

DAS summarized their marketing efforts as follows:

- DAS began the process by offering these buildings to the City of Hartford to purchase at the City's appraised value (statutorily required), which they ultimately declined (see enclosed from City of Hartford).
- The Land Transfer Notice was posted from March 2, 2021 through April 1, 2021 in the Environmental Monitor, which received no responses.

- Once DAS received the city’s response and the Environmental Monitor posting period ended, the process of offering these buildings to the public began with the issuance of a Request for Proposal (RFP) which commenced on April 16, 2021 and concluded on July 9, 2021 (extended time was offered to ensure respondents had the necessary time to respond).
- The RFP was advertised in the Hartford Courant on April 16, 2021, and again on April 18, 2021, on LoopNet, DAS’s procurement portal and on the State’s Real Estate website for the duration of the RFP period.
- Additionally, the RFP was distributed to the directors of the Regional Council of Governments and the local Real Estate Broker community.
- An email was sent to developers, provided by CRDA.

Staff inquired with DAS regarding the following:

1. Please provide electronic copies of the three Real Estate Appraisal reports obtained by DAS;
DAS Response: The appraisals (there are 6 in total) are in the review folder under Trinity Street Appraisals...
Staff Response: DAS provided. OK
2. Please provide electronic copies of each response to the RFP; and
DAS Response: .. Tommy is getting you the electronic versions of the other submittals we received.
Staff Response: DAS provided. OK

3. Please clarify, beyond DAS’s quantitative/qualitative review, which Proponent offered the highest price for these two properties and provide each Proponent’s propose purchase price and anticipated closing date from each response to the RFP in the following Table:

DAS Response: None

Staff Response: Staff summarized in the following table.

Proponent	Purchase Price	Closing	Financing	Dev Plans
Spinnaker	\$1.5MM* \$100K earnest	11 months	Pvt/Public	100+ units & 15k retail & restaurant
Beacon	\$1.425MM	24 months	Pvt/Public	95 units, restaurant
Penrose	\$1.1MM \$50K earnest	12-15 months	Pvt/Public	110 units & restaurant
Bushnell	Not feasible \$250K earnest	6-9 months	Pvt/Public	104 units
Trinity Financial	\$1.0MM \$100k earnest	24 months	Pvt/Public	99 units
Spectra/ Wonderworks	\$1.8MM \$180K earnest	12 months	Pvt/Public	127 units, 5,500 sf amenity space

In a Memo to DAS Deputy Commissioner Petra, DAS summarized the following:

A panel of myself as chair, Anne Peterson, Jenna Paula and Thomas Piacenza was convened and have weighed the different factors and have arrived at a preferred purchaser.

Six proposals were received (summarized in the attached excel spread sheet). There were two clear front runners, Beacon and Pennrose.

<u>Price</u>	<u>Time to Close</u>	<u>Use</u>
Beacon: \$1.425m	24 months from selection	55%Market/45% Affordable Commercial
Pennrose: \$1.1 to \$1.650m*	12-15 months, state approvals	80%market/20% affordable Commercial

*will increase purchase price from \$1.1m to \$1.65m if additional resources can be found.

DAS should provide an expanded narrative with respect to their conclusion that Beacon/Pennrose were ‘two clear front runners’ in addition to why Pennrose’s offer was deemed superior. Additionally, DAS should provide specific reasoning with respect to rejecting Spectra’s \$1.8MM offer and Spinnaker’s \$1.5MM offer in light of both of these Proponents having successful development history in Connecticut.

RECOMMENDATION: Staff recommends that the Board **suspend** the purchase and sale agreement to the Buyer in the amount of \$1,100,000 pending DAS response from DAS regarding their providing the following: the scoring matrix/documentation DAS utilized in selecting Pennrose, LLC as the preferred Buyer of these two properties; a written explanation with respect to why a Respondent’s \$1,800,000, the highest price offered to the State, was excluded from further consideration, in light of the Respondent’s completion of four similar projects (554 residential units + 20ksf retail) in Hartford at 5 Constitution Plaza, 101 Pearl St, 111 Pearl St and 100 Trumbull St; and provide justification why DAS does not consider this a “state action” per CEPA given that the Statement of Objectives referenced specific type of development as a City Plan priority.

- 4. REAL ESTATE – NEW BUSINESS
- 5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS
- 6. ARCHITECT-ENGINEER - NEW BUSINESS

PRB #	22-093
Origin/Client:	DCS/DEEP
Transaction/Contract Type	AE / Task Letter
Project Number	BI-T-611
Contract	OC-DCS-CA-0022
Consultant:	AI Engineers, Inc.
Property	Plainfield, Trout Hatchery Rd (141)
Project purpose:	Energy and Water Supply System Operating Improvements
Item Purpose	Task Letter #8C for CA Services

PROPOSED AMOUNT: \$10,145

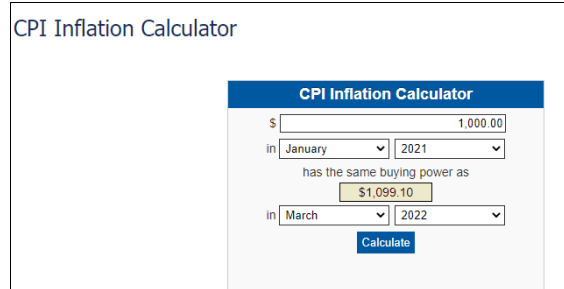
At its meeting held on May 20, 2021 the State Properties Review Board voted, under PRB #21-068, to approve Task Letter #8B to this On-Call Contract to compensate the Consultant an additional \$9,834 in CA to addresses the inflation escalation that has occurred between the 2016 contract and 2022 using the Consumer Price Index (CPI) Inflation Calculator provided by U.S. Bureau of Labor Statistics.

Under this Proposal (#22-093), DCS is now seeking approval of an additional \$10,145 to compensate the CA for the following professional services:

The scope of work shall include, but is not limited to the following:

Provide inflation escalation compensation for the construction administration services during the upcoming construction and closeout phases. The previous supplemental Task #8B included providing inflation escalation compensation up to January 2021. This supplemental task letter provides inflation escalation compensation from January 2021 to March 2022, which is the most current CPI inflation data available.

The escalation of the fee is based on the change in inflation from the date of the last calculation (January 2021) to the most recently available information (March 2022), calculated as follows:



https://www.bls.gov/data/inflation_calculator.htm

Based on the CPI Inflation Calculator, the Consultant’s Fee Schedule is then calculated as follows:

Task	Construction Phase Hours	Close-Out Phase Hours
Updated Fee Task #8B	\$95,345	\$7,128
PRB #22-093 Task #8C	\$95,345 <u>x .099</u> \$9,439	\$7,128 <u>x .099</u> \$706
Totals	\$9,439 +\$706 \$10,145	

As part of Task Letter #8C the overall construction and total project budgets have since increased to **\$5,245,000** and **\$6,727,500** respectively, from to **\$4,284,000** and **\$5,212,000** respectively.

In January 2016, SPRB approved AI Engineers, Inc. (“AIE”) as one of six firms under the latest *On-Call Construction Administrator Series* of consultant contracts. These contracts expired on March 17, 2017, and had a maximum cumulative fee of \$500,000. AIE was approved for the following task(s) under this series:

• Task Letter #1	Prince Tech Bio Center Lab	\$46,500	(Informal)
• Task Letter #10	Bristol Tech/OWT THS FOG Separation	\$40,000	(Informal)
• Task Letter #3	DESPP St Police Training Roof	\$0	Cancelled
• Task Letter #4	DESPP Building Restack	\$99,715	(Informal)
• Task Letter #4A	DESPP Building Restack	\$5,500	(PRB 17-295)
• Task Letter #6	BESB Library Roof Replacement	\$0	Cancelled
• Task Letter #7	Wolcott THS Paving & Site Imp.	\$38,625	(Informal)
• Task Letter #8	Quinebaug Valley Hatchery	\$96,400	(Informal)
• Task Letter #8B	Quinebaug Valley Hatchery	\$9,843	(PRB 21-068)
• Task Letter #9	Platt THS FOG Separation	\$80,000	(Informal)
Total Fee to Date:		\$416,583	

Task Letter #8 – AEI - Contract (INFORMAL)	Base Fees (\$)	Special Services (\$)	Total Fee	Construction Budget (\$)	% of Budget
CA's BASE FEE (A)	\$96,400				
PRB File #21-068-TL#8B (Extended CA Services) (B)	\$9,834				
PRB File #22-093-TL#8C (Extended CA Services) (C)	\$10,145				
TOTAL PROJECT FEE (A) + (B)			\$116,379	\$5,245,000	2.22%

Staff inquired with DCS regarding the following issues:

- Task Letter #8C and Form 1105 both state the construction budget is now \$5,245,000, increased from \$4,284,000 under Task Letter #8B, up 22%. Please clarify what is the source of the increase.
DCS Response: Not sure what you mean by "source of the increase." See attached email explaining reasons for the increase in the bid prices compared to the previous construction budget. If you are seeking clarification on the financial source of the increase, PA 07-242 Sec. 108 is what DEEP has indicated as the funding source for this project per the 1105 that was signed by their CFO on 4/11/22.
Staff Response: OK
- This project was Bid on 12-08-2021 with responses due 1-26-2022. The Project is currently in Post Bid Phase. Please provide a summary of the responses to the Bid.
DCS Response: See attached bid tab showing three bids. The low bidder was Banton but its bid was rejected per the attached document from Kevin Kopetz. The next lowest bidder, LaRosa Building Group, then became the lowest, responsible bidder and thus awarded the project after the bid review due diligence took place.

Tabulation of Bids

Project Title:	Quinebaug Valley Hathyery Energy & Water Supply Syst	Project No.:	BI-T-611
Project Address:	145 Trout Hatchery Road, Plainfield, CT	Agency Base Bid:	\$3,136,408.00
Page No.:	of	Addenda No.(s):	2
Bidding Limited To:	General Building Construction (Group C)		

Bidder	Base Bid	SUPPLEMENTAL BIDS			
		1	2	3	4
Banton Construction Company	\$4,796,969.00	\$111,425.00	\$287,085.00	\$147,117.00	\$287,085.00
LaRosa Building Group, LLC	\$5,115,000.00	\$130,000.00	\$420,000.00	\$215,000.00	\$ 410,000.00
Nosal Builders, Inc	\$5,912,700	\$135,200.00	\$374,000.00	\$183,500.00	\$348,000.00

BID OPENED:
Date: 1/26/2022
Time: 1:00PM

Staff Response: OK

- Please clarify if the Bid was awarded and at what cost and to which Firm.
DCS Response: LaRosa Building Group was awarded this project for \$5,245,000.00 total which includes the base bid of \$5,115,000.00 + Supplemental Bid #1 for \$130,000.00.
Staff Response: OK
- Has Notice to Proceed been issued for the construction phase? And if yes, when?

DCS Response: The GC Notice to Proceed was issued on 5/5/22 with a construction start of June 16, 2022.

Staff Response: OK

RECOMMENDATION: It is recommended the Board **approve** this Task Letter #8C in the amount of \$10,145, pending response from DCS.

FROM PRB #21-068

PROPOSED AMOUNT: \$9,834

On October 18, 2018, under PRB File #18-225, the Board suspended a proposal for the Consultant to provide construction administration services (Task Letter #8B) until further clarification was received from DCS/DEEP on the questions raised for the Engineering Contract reviewed under PRB #18-184.

UPDATED PROJECT BACKGROUND

The project involves water system control and electrical equipment upgrades to the Department of Energy & Environmental Protection’s (DEEP) fish hatchery that will reduce water and electrical consumption and result in operating efficiencies as well as cost savings for DEEP. The project has been stalled since the construction bids were received in 2017 as the bids were all over budget. DEEP has requested to re-start the project and re-bid as soon as possible. This supplemental task letter is required to have the Consultant provide bid phase services for a second time and increase their construction phase and closeout service fees to reflect inflation escalation.

Under this proposal (PRB #21-068), DAS/DCS is seeking Board approval to Task Letter #8B for the following scope of work:

Construction Administration Services Escalation (\$9,834)

The fee increase addresses the inflation escalation that has occurred between the 2016 contract and 2022 using the Consumer Price Index (CPI) Inflation Calculator provided by U.S. Bureau of Labor Statistics.

As part of Task Letter #8B the overall construction and total project budgets have since changed to **\$4,284,000** and **\$5,212,000** respectively.

In January 2016, SPRB approved AI Engineers, Inc. (“AIE”) as one of six firms under the latest *On-Call Construction Administrator Series* of consultant contracts. These contracts expired on March 17, 2017, and had a maximum cumulative fee of \$500,000. AIE was approved for the following task(s) under this series:

• Task Letter #1	Prince Tech Bio Center Lab	\$46,500	(Informal)
• Task Letter #10	Bristol Tech/OWT THS FOG Separation	\$40,000	(Informal)
• Task Letter #3	DESPP St Police Training Roof	\$0	Cancelled
• Task Letter #4	DESPP Building Restack	\$99,715	(Informal)
• Task Letter #4A	DESPP Building Restack	\$5,500	(PRB 17-295)
• Task Letter #6	BESB Library Roof Replacement	\$0	Cancelled
• Task Letter #7	Wolcott THS Paving & Site Imp.	\$38,625	(Informal)
• Task Letter #8	Quinebaug Valley Hatchery	\$96,400	(Informal)
• Task Letter #9	Platt THS FOG Separation	\$80,000	(Informal)
Total Fee to Date:		\$406,740	

Task Letter #8 – AEI – Contract (INFORMAL)	Base Fees (\$)	Special Services (\$)	Total Fee	Construction Budget (\$)	% of Budget

CA's BASE FEE (A)	\$96,400				
PRB File #21-068-TL#8B (Extended CA Services) (B)	\$9,834				
<i>TOTAL PROJECT FEE (A) + (B)</i>			\$106,234	\$4,284,000	2.0%

RECOMMENDATION: It is recommended the Board **APPROVE** PRB this TL 8B in the amount of \$9,834.

PRB # 22-097
Origin/Client: DCS/DAS-FM
Transaction/Contract Type AE / Task Letter
Project Number BI-2B-451
Contract OC-DCS-ARC-0067
Consultant: Maier Design Group, LLC
Property Hartford, Capitol Ave (410-460) – Cap Ave Complex
Project purpose: Capitol Avenue Complex Code Compliance
Item Purpose Task Letter #3

PROPOSED AMOUNT: \$60,015

On May 17, 2019, DAS/DCS retained the Consultant under Task Letter #3 (Informal) to OC-DCS-MBE-ARC-0011 to provide a comprehensive code review of the Capitol Avenue Complex (410, 450, 460, 470 and 474 Capitol Avenue, Hartford, CT). The Consultant's fee for services was \$58,950.

The code review and subsequent reporting on the findings was in conjunction with the CT OSFM Inspection Report dated 09/04/2018, detailing the findings of an 8-29-2108 inspection of the complex by the CT Office of the State Fire Marshal. Although the majority of violations noted by the Fire Marshall were addressed under "operations and maintenance," the report also identified several violations that were more complex.

Under this Proposal (PRB #22-097), DCS and DAS-FM are now seeking Board approval of Task Letter #3 for the Consultant to provide design and construction administration services in conjunction with the following scope of work:

Combined Schematic/Design Development, Contract Documents, Bidding & Construction Administration with a focus on addressing code violations at the open stairs in both 450 and 460 Capitol Avenue as well as the Basement Mechanical-Sprinkler Pump Room at 410 Capitol Avenue.

The Consultant's proposed Fee is \$60,015 (NTE), broken down as follows:

- 2A. Schematic/Design Development Phase: \$21,525 (42 days);
- 2B. Contract Documents: \$21,82 (64 days);
- 2C. Bidding Phase: \$5,000 (23 days); and
- 2D. Construction Administration Phase: \$14,320.

DCS confirmed funding is available for this request.

In May 2021, SPRB approved Maier Design Group, LLC ("MDG") (PRB #21-062) as one of five firms under the latest *On-Call ARC Architect Series* of consultant contracts. These contracts have a common expiration date of August 15, 2023 and have a maximum cumulative fee of \$1,000,000.

Since the award of this contract MDG has been approved for the following tasks under this series:

• Task Letter #1	Camp Nett, Bldg #54 Renov	\$135,008	(PRB #22-037)
• Task Letter #2	WCSU Newbury Hall Elevator	\$94,000	(Informal)
		Total	\$229,008

The overall construction and total project budget for the Capitol Avenue Complex Code Compliance project is **\$400,000** and **\$626,965**.

Task Letter #3– MDG (Informal)	Architect Base Fees (\$)	Special Services	Total Fee	Construction Budget (\$)	% of Budget
Code Review Study	\$58,950				
Task Letter #3 (PRB #22-097)					
Schematic/Design Development	\$21,525				
Contract Documents	\$21,820				
Bidding	\$2,350				
Construction Administration	<u>\$14,320</u>				
MDG’S BASE FEE (A)	\$60,015			\$400,000	15.00%

RECOMMENDATION:

It is recommended that SPRB **APPROVE** Task Letter #3 for in the amount of \$60,015.

- DCS confirmed \$60,015 is available for the Task Letter.

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #22-063 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-063. The motion passed unanimously.

PRB FILE #22-093 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #22-093. The motion passed unanimously.

PRB FILE #22-097 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-097. The motion passed unanimously.

9. NEXT MEETING –Tuesday, July 5, 2022.

The meeting adjourned.

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