

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On July 5, 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 July 5, 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

Jaime L. Smith, Director, Ag Dev & Res Consr, CT DoAg

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 30, 2022 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

<i>PRB File #:</i>	22-091
<i>Transaction/Contract Type:</i>	RE – Release
<i>Origin/Client:</i>	DOT/DOT
<i>DOT Project #:</i>	082-287-002C
<i>Grantee:</i>	Washington Street Middletown, 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

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

At the State Properties Review Board meeting held on April 14, 2022, the Board voted to return PRB File #22-024 pursuant to DOT's April 6, 2022 request. During the Board's review of the Proposal under PRB 22-024, DOT was questioned about the Easement Deed, as drafted, identifying the Grantee as Stone Point Properties, LLC when the parcel is currently owned by 733 Washington Street Middletown, LLC (both related entities).

Under this Proposal (PRB #22-091) DOT is now seeking 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) to Washington Street Middletown, LLC. The negotiated fee for the conveyance is \$7,000 plus a \$1,000 Administrative Fee.

All information provided by DOT for this Proposal is the same as that submitted under the previous Proposal with the exception that the Grantee has been changed to the proper ownership entity - Washington Street Middletown, LLC.

Recommendation – Staff recommend the Board approval this Proposal to release a slope easement to Washington Street Middletown, LLC for \$7,000 plus \$1,000 administrative fee for the following reasons:

- The proposed release complies with CGS §13a-80(a) in that the legislative delegation received the required notification on July 16, 2021.
- The release value of \$7,000 is reasonable in that it represents 108% of the appraised value.
- The description in the Quit Claim Deed is consistent with the map filed in the Middletown Land Records.

From PRB #22-024

Release 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.

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

Project Background

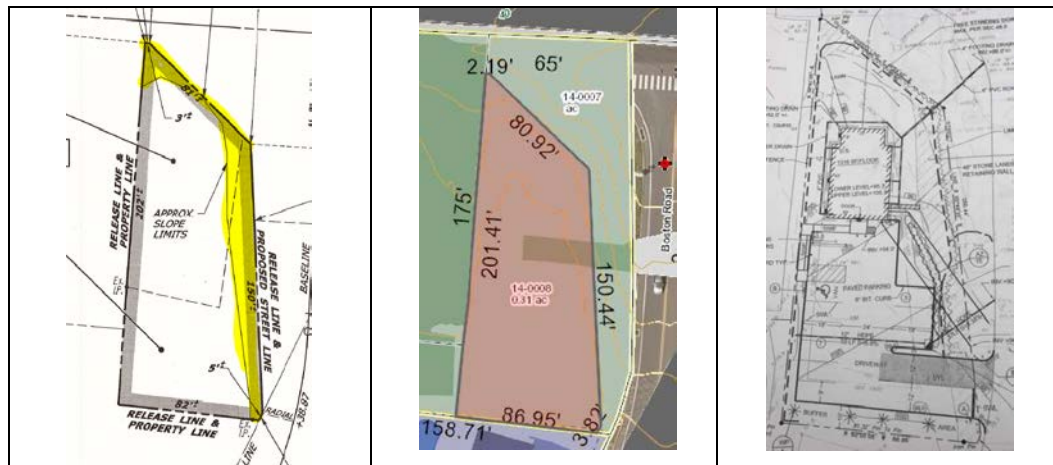
At the October 9, 2012 SPRB Meeting the Board approved, under PRB #12-235, the Sale by Public Bid proposed by DOT for the release of a 13,180 square foot parcel for \$45,000. The Release Parcel was the remainder of two residential properties acquired by DOT in 2003, via condemnation, for intersectional 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:

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

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.



Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:35. The motion passed unanimously. Ms. Smith of the CT Department of Agriculture was invited to attend the Executive Session at 10:02 and left the meeting at 10:09.

EXECUTIVE SESSION

PRB #: 22-108-A
Transaction/Contract Type: AG / PDR
Origin/Client: DoAG/DoAG

Statutory Disclosure Exemptions: 1-200(6) & 1-210(b)(7)

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 10:09. The motion passed unanimously.

OPEN SESSION

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS
6. ARCHITECT-ENGINEER - NEW BUSINESS
7. OTHER BUSINESS
8. VOTES ON PRB FILE:

PRB FILE #22-091 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #22-091. The motion passed unanimously.

PRB FILE #22-108-A – Mr. Valengavich moved and Mr. Halpert seconded a motion to suspend PRB FILE #22-108-A. The motion passed unanimously.

9. NEXT MEETING –Thursday, July 7, 2022.

The meeting adjourned.

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