

STATE PROPERTIES REVIEW BOARD

**Minutes of Meeting Held On January 3, 2023
– 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 January 3, 2023 remotely via telephone conference at (860)-840-2075 and use passcode 284890492#.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger

Members Absent:

William Cianci

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 December 29, 2022 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai updated the Board on the response from DAS’ Shane Mallory on the rejected Workers’ Compensation Commission Lease reviewed under PRB #22-195; and that DAS will submit Lease Renewals and, after consultation with the Commissioner, DAS will respond to the Board.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB File #: 22-199
Transaction/Contract Type: RE – Voucher
Origin/Client: DOT/DOT
DOT Project #: 082-316-001
Grantor: Klutch, LLC
Property: Middletown, DeKoven Dr (60)
Project Purpose: Reconfiguration of the Route 17 On-Ramp to Route 9 Northbound
Item Purpose: Voucher

DAMAGES: \$51,000

Project Background

The State of Connecticut Department of Transportation (Department) is currently developing plans to reconfigure the Route 17 on-ramp to Route 9 northbound. State Project Number 0082-0316 is located in downtown Middletown on Route 17 between South Main Street and Washington Street. The purpose of the project is to improve safety by reducing crashes at the interchange. This project is needed because the existing stop-controlled on-ramp from Route 17 onto Route 9 northbound has a crash rate significantly higher than similar adjacent freeway segments.

Route 17 is a north/south running roadway that connects Glastonbury to New Haven and is classified as an Urban Freeway within the project limits. The Route 17 on-ramp to Route 9 northbound is a skewed stop-controlled intersection with a short acceleration lane just before Bridge No. 00638 that carries Route 9 over Union Street and an active Providence and Worcester (P&W) rail line. The superstructure is rated 4, poor condition, based on the latest Bridge Safety Inspection Report dated March 31, 2020. The existing superstructure design prevents proper maintenance of the bridge and has therefore deteriorated. Other structures within the project limits include Bridge No. 00861 (substructure rating 5) carrying Route 17 northbound over East Main Street and Bridge No. 00636 (superstructure rating 5) carrying the Route 17 on-ramp to Route 9 northbound over Route 9.

Proposed Improvements

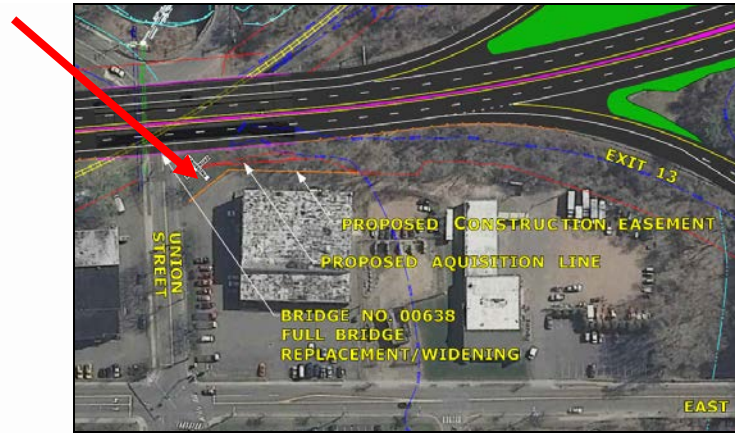
The proposed work includes providing a full-length acceleration lane for Route 17 northbound traffic to merge onto Route 9 north. A full structure replacement will enable widening the structure to the west as well as addressing maintenance concerns while allowing flexibility in pier placement. The proposed acceleration lane will require realignment of Route 9 as well as the closure of the Harbor Drive on-ramp onto Route 9.

The existing weave on Route 17 northbound was analyzed using VISSIM and HCS. It was determined that the congestion experienced on the weave was a result of the traffic signals on Route 9 and that a two-lane cross section has adequate capacity. This two-lane section allows us to maintain the existing sight distance through the curve.

After closure of the Harbor Drive interchange, the Main Street Extension and Route 17 interchange will serve as primary access to Route 9 for the southern section of downtown Middletown. Consequently, traffic volumes would increase at the interchange and operate at a failing level of service under the anticipated traffic volumes. The proposed improvements include reconfiguring the interchange and signalizing the northern intersection. Dedicated turn lanes will be added on Main Street Extension and the Route 17 off-ramps to increase traffic capacity. The Route 17 southbound on-ramp will be realigned with the Route 17 southbound off-ramp to create a more typical intersection configuration and will be signalized.

A video presentation of this project can be found here:

<https://www.youtube.com/watch?v=470EBclCIP0&list=PLay2HBR2uAIIwy1Qa40wj5wR11lw2uj3o&index=6>



SITE DESCRIPTION:

The subject site consists of a 69,769± square foot corner parcel at the southerly intersections of Union Street and DeKoven Drive to the west and Route 9 to the east. The site is improved with a 28,000 sf asphalt-paved parking lot, concrete walks, curbing and landscaping. The site is located in the B1 zone (Business District) and is pre-existing non-conforming with respect to use and minimum lot requirements.

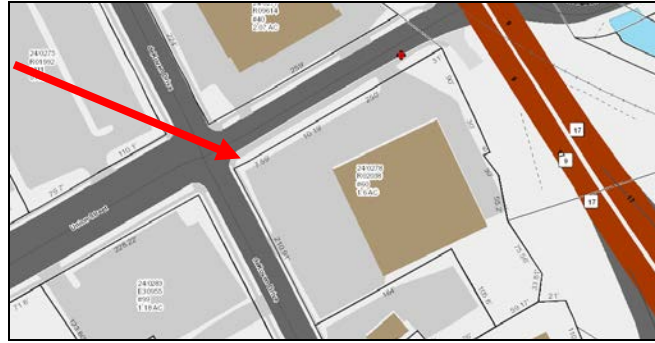
The parcel is improved with a single-tenant auto repair service center with warehouse use. The building contains a total of 33,600± square feet with 19,600± square feet on the first floor and 14,000± square feet on the upper level, constructed in 1976.



View of Improvements Looking Southeasterly from Union Street/DeKoven Drive Intersection

Highest and Best Use – As Vacant: Commercial oriented development.

Highest and Best Use – As Improved: Continued auto repair center and warehouse use.



VALUATION: The DOT appraisal was completed on October 6, 2022 by DOT Appraiser John P. Kerr.

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

EXTRAORDINARY ASSUMPTIONS:

The subject property was inspected on an exterior basis from the public street. All information regarding the interior of the improvements is based on assessor information. In addition, the interior of the improvements are assumed to be in a condition similar to the exterior. If these assumptions are proven to be different, I reserve the right to reconsider my opinion of value.

HYPOTHETICAL CONDITIONS:

The methodology used in this report is a standard State appraisal format in the form of a before and after valuation appraisal 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 value.

Before Land Valuation: Based on the sales comparison approach, the appraiser considered three sales (2020-2021) of similarly zoned land in Middletown, with a similar highest and best use, as follows:

ITEM	SUBJECT	COMPARABLE#1	COMPARABLE#2	COMPARABLE#3	
	60 DeKoven Drive, Middletown	811 Newfield Street, (Lot 198) Middletown	562 South Main Street, Middletown	593 Washington Street, Middletown	
<i>Unadjusted Sale Price Per Sq. Ft.</i>		\$900,000	\$320,000	\$700,000	
		\$3.24	\$12.51	\$12.75	
ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+/- ADJ.	DESCRIPTION	+/- ADJ.
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple	
FINANCING	N/A	Conventional		Private	None Recorded
CONDITIONS OF SALE	N/A	Arm's Length		Arm's Length	Arm's Length
MARKET CONDITIONS	As of 10/6/2022	As of 1/23/2020		As of 2/16/2021	As of 3/29/2021
ADJUSTED SALE PRICE			\$3.24	\$12.51	\$12.75
LOCATION	Average	Average+	-0.32	Average+	-1.25
SIZE	1.60+/- Ac.	6.3856+/- Ac.	1.30	0.587+/- Ac.	-2.50
FRONTAGE/ACCESS	509.69'/Good	17'/Rear Lot	0.65	330.2+/-'Good	0.63
TOPOGRAPHY	Mostly Level	Mostly Level		Mostly Level	
ZONE	B-1 (Commercial)	NPC (Comm.)		B-2 (Commercial)	B-2 (Commercial)
UTILITIES	All Public Avail.	All Public Avail.		All Public Avail.	All Public Avail.
AVERAGEDAILY TRAFFIC	6,300	16,400		13,300	
ENCUMBRANCES/SHAPE	Utility,Wet,Irreg.	Access,Wet,Irreg.	0.32	Flood Zone Rect.	-0.63
PRESENT USE	Auto Service/Warehs	Appr. Self Storage		Appr. Restaurant	
HIGHEST AND BEST USE	Commercial	Commercial		Commercial	
DEMOLITION	None Required	None Required		Building Demo.	1.17
TOTAL ADJUSTMENT			1.95	-2.58	-1.19
ADJUSTED SALE PRICE PER Sq. Ft.			\$5.19	\$9.93	\$11.56

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject land was \$8/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	69,769 sf x \$8/sf	\$558,152
	Rounded	\$558,000

Note: The Appraiser estimated the contributory value of the improvements at \$75,000.

Before Building Valuation:

Sales Comparison Approach

Based on the sales comparison approach, the appraiser considered four sales (2020-2022) of similar-type properties in the greater market area, with a similar highest and best use, as follows:

ITEM	SUBJECT	COMPARABLE #1	COMPARABLE #2	COMPARABLE #3	COMPARABLE #4
	60 DeKoven Dr. Middletown	1611 Portland Cobalt Rd. Portland	19 Hall Avenue, Meriden	475 John Downey Dr. New Britain	25 Columbo Avenue, Meriden
Unadjusted Sale Price	N/A	\$1,100,000	\$1,000,000	\$1,075,000	\$495,000
Unadjusted Sale Price Per SF	N/A	\$37.90	\$73.02	\$31.62	\$61.77
ADJUSTMENTS	DESCRIPTION	DESCRIPTION +/- ADJ.	DESCRIPTION +/- ADJ.	DESCRIPTION +/- ADJ.	DESCRIPTION +/- ADJ.
PROPERTY RIGHTS CONVEYED	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
FINANCING	N/A	None Recorded	Conventional	Conventional	Conventional
CONDITIONS OF SALE	Arm's Length	Arm's Length	Arm's Length	Arm's Length	Arm's Length
MARKET CONDITIONS	As of 10/6/2022	As of 3/29/2022	As of 8/31/2022	As of 4/27/2020	As of 7/28/2021
ADJUSTED SALE PRICE		\$37.90	\$73.02	\$31.62	\$61.77
LOCATION/ZONE	Average/B-1	Good/B-1 -1.90	Average/M-3	Average/T1	Average/R1 6.18
SIZESHAPE	1.60+/- Ac./Irreg	8.28+/- Ac./Irreg -3.79	1.96+/- Ac./Irreg	4.939+/- Ac./Irreg -1.58	0.69+/- Ac./Irreg 3.09
LAND/BUILDING RATIO	2.08:1	12.43:1 -1.90	6.23:1 -1.83	6.34:1 -0.79	3.75:1
FRONTAGE/ACCESS	509.69/Good	335/Good	332.95/Good	531.95/Average 1.58	338/Average 3.09
TOPOGRAPHY	Mostly Level	Rolling	Mostly Level	Mostly Level	Mostly Level
UTILITIES	All Public Avail	Elec, Well, Septic	All Public Avail	All Public Avail	All Public Avail
ENCUMBRANCES	Utility Easmt	None Noted	None Noted	DROW 1.58	Wetlands 3.09
PRESENT USE	Auto Repair/Warehouse	Auto Repair/Storage	Auto Repair	Auto Repair/Warehouse	Garage/Warehouse
HIGHEST AND BEST USE	Commercial	Commercial	Commercial	Commercial	Commercial
BUILDING AREA	33,600+-SF	29,026+-SF -1.90	13,694+-SF -25.56	33,935+-SF	8,013+-SF -30.89
BELOW GRADE/BASEMENT	Slab	Slab	Slab	Slab	Slab
AGE/CONDITION	1976/Average	1977/1982/Avg	1992/Good -7.30	1930/Average 1.58	1955/Average
HEATING/COOLING	Gas/H/A/C	Gas/H/A/C	Oil/F/A/C	Oil/None 0.79	Gas/F/A/C
CONSTRUCTION QUALITY	Average	Average	Average	Average	Average
APPEAL	Average	Average	Average	Average	Average
AVERAGE DAILY TRAFFIC	6,300	17,700	7,200	6,700	600/6,700
TOTAL ADJUSTMENT		-9.49	-34.69	3.16	-15.44
ADJUSTED SALE PRICE		\$28.41	\$38.33	\$34.78	\$46.33

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject property was \$35/sf x 33,600 sq.ft. = \$1,176,000, rounded to \$1,175,000.

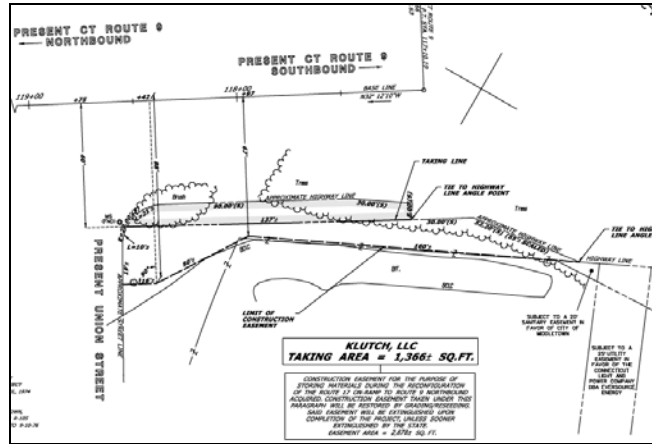
Reconciliation and Value Conclusion - Before

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$558,000
Sales Comparison Approach	\$1,175,000
Income Capitalization Approach	N/A
Conclusion of Market Value	\$1,175,000

TAKING DESCRIPTION:

DOT requires acquiring the following:

- A partial take in fee-simple of 1,366± square feet; and
- A construction easement for the purpose of storing materials acquired over an area of 2,878± square feet.



IMPACT OF TAKING

As a result of the acquisition, the Route 9 highway will be expanded and will move closer to the subject property. The existing highway, bridge, and associated infrastructure is shifting 30± feet toward the subject property. The existing highway is approximately 40± feet from the rear property line and will move to within 10± feet of the rear property line after the taking. The highway is currently 90± from the rear corner of the building and will move to within 60± feet of the building post highway construction. The acquisition also impacts a mature tree line that serves as a buffer along the rear of the subject property. Post construction, the highway, bridge, and infrastructure will be completely visible from the rear of the subject. The privacy and security along the rear of the subject property will be compromised resulting in diminished appeal. It is the opinion of the appraiser that the movement of the highway closer to improvements coupled with lost buffer results in severance damages to the remainder property on a permanent basis.

AFTER VALUATION:

After 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 \$8/sf, calculated as follows:

Item	Calculation	Value
Land Valuation (Fee Simple)	68,403sf x \$8/sf	\$547,224
	Rounded	\$547,000

Note: The Appraiser estimated the contributory value of the improvements at \$75,000.

After Building Valuation:

Sales Comparison Approach

Based on the sales comparison approach, the appraiser considered the same four sales (2020-2022) of similar-type properties in the greater market area and after adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject property was diminished by \$1.25/sf to \$33.75/sf x 33,600 sq.ft. = \$1,134,000, rounded to \$1,135,000.

Reconciliation and Value Conclusion - Before

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$547,000
Sales Comparison Approach	\$1,135,000
Income Capitalization Approach	N/A
Conclusion of Market Value	\$1,135,000

Calculation of Permanent Damages

Item	Value
Before Valuation	\$1,175,000
After Valuation	\$1,135,000
Permanent Damages	\$40,000

Calculation of Temporary Damages

The Appraiser then considered Temporary Damages as follows:

The proposed acquisition consists of one temporary right which includes a 2,878± square foot construction easement for the purpose of storing materials during the reconfiguration of the Route 17 On-Ramp to Route 9 Northbound acquired. The construction easement taken under this paragraph will be restored by grading/seeding. Said easement will be extinguished upon completion of the project, unless sooner extinguished by the State.

The proposed construction easement area is positioned along the rear property line and lies between the limits of the proposed fee taking area and the asphalt driveway at the rear of the building. The proposed construction easement will not encroach or impact the use of the driveway. It is noted that a tree line buffer is partially located within the limits of the construction easement area. The impacts to the trees has been considered previously within the “after” valuation section of this appraisal report. The construction easement is anticipated to take 4 years. The actual work is planned for Spring 23 to Fall 26.

Calculation of Value of Land impacted as a result of the construction easement is as follows: Temporary construction easement area of 2,878± sf x \$8.00/sf (Per Land Sales Comparison Approach) x 12% (rental rate) x 4 years = \$11,052 rounded to \$11,000.

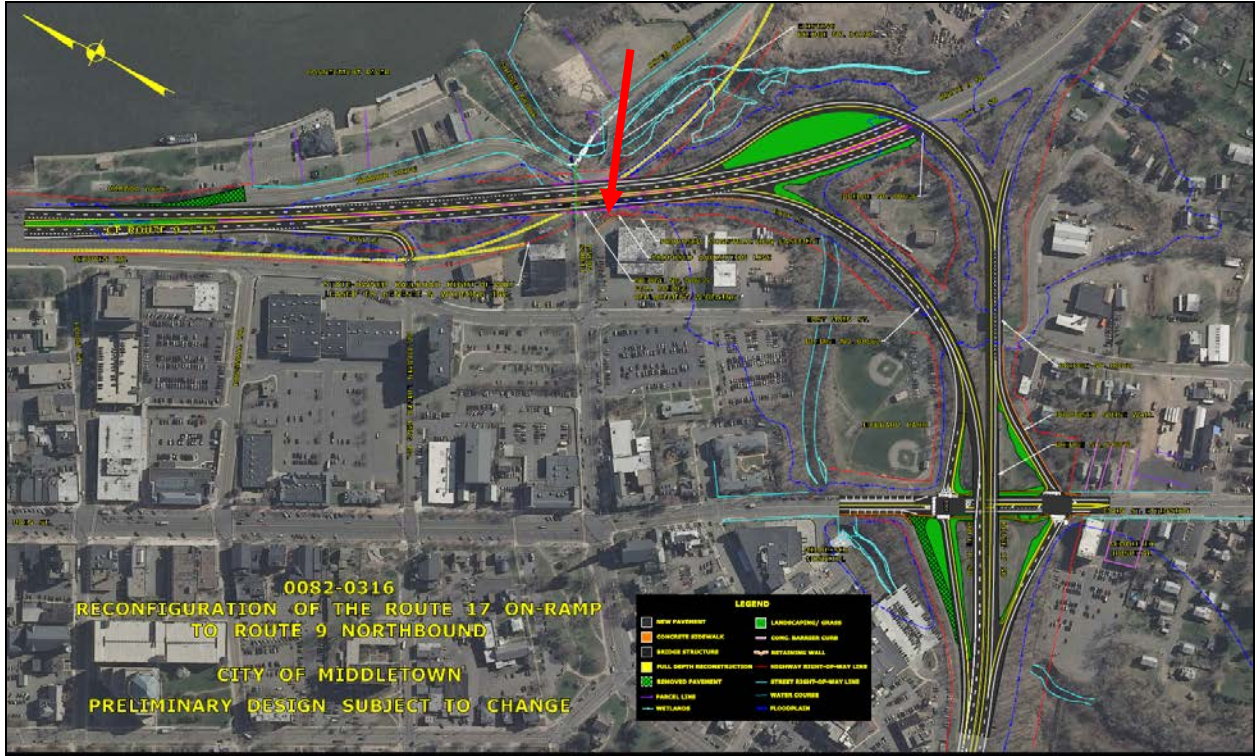
Please note, the construction easement calculations noted above are based on the assumption that the property will only be used for the amount of time indicated and that the construction will take place within a reasonable time frame, under similar market conditions. Should there be delays or changes in market conditions that would substantially change my opinion of value, I reserve the right to adjust the construction easement value portion of this appraisal. It is a further assumption that the property owner will have access to their property at all times for the duration of the project. If this assumption is proven otherwise, I reserve the right to consider its effect on value.

Calculation of Total Damages

Total damages are then Permanent Damages plus Temporary Damages, or \$40,000 + \$11,000 = \$51,000.

RECOMMENDATION: Staff recommend the Board approval this proposal in the amount of \$51,000 for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The acquisition value is supported by the DOT appraisal report.



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

PRB FILE #22-199 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #22-199. The motion passed unanimously.

9. NEXT MEETING – Thursday, January 5, 2023.

The meeting adjourned.

APPROVED: _____ Date: _____
John Valengavich, Secretary