

## STATE PROPERTIES REVIEW BOARD

### Minutes of Meeting Held On January 12, 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 12, 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  
William Cianci

#### Members Absent:

#### Staff Present:

Dimple Desai  
Thomas Jerram

#### Guests Present

Graham Curtis, DOT Public Transportation Assistant Admin, Office of Transit and Ridesharing  
Maureen Lawrence, DOT Transportation Transit Manager, Office of Transit and Ridesharing  
Lisa Rivers, DOT Transportation Transit Manager, Office of Transit and Ridesharing

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 January 9, 2023 Meeting. The motion passed unanimously.

#### 2. COMMUNICATIONS

Director Desai updated the Board on The Office of Legislative Research's response to the Board's inquiry with respect to the advertising requirements pursuant to CGS §4b-34.

Staff presented the Board with a monthly voucher statement pursuant to CGS 13a-73(h) identifying DOT real estate acquisitions for less than \$5,000.

#### 3. REAL ESTATE- UNFINISHED BUSINESS

#### 4. REAL ESTATE – NEW BUSINESS

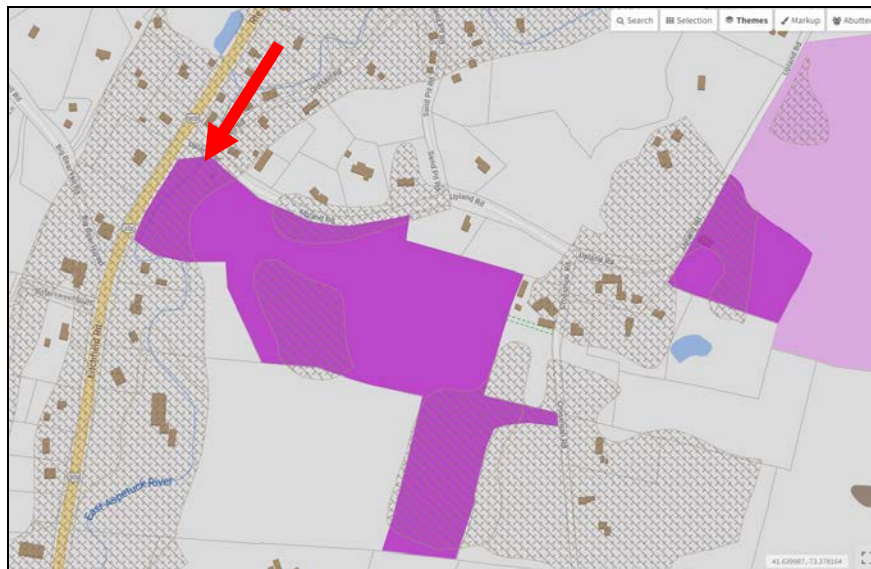
|                                   |   |
|-----------------------------------|---|
| <i>PRB File #:</i>                | 22-204  |
| <i>Transaction/Contract Type:</i> | RE – Voucher                                      |
| <i>Origin/Client:</i>             | DOT/DOT   |
| <i>DOT Project #:</i>             | 095-257-002                                       |
| <i>Grantor:</i>                   | Northwest Connecticut Land Conservancy, Inc et al |
| <i>Property:</i>                  | New Milford, Crossman Rd (28.7 acres)             |

**Project Purpose:** Replacement of Bridge No. 05115 Upland Road over East Aspetuck River  
**Item Purpose:** Voucher

**DAMAGES: \$7,300**

**SITE DESCRIPTION:** The subject property consists of an irregular-shaped, 28.7 acre site with frontage on Crossman and Upland Roads in New Milford, as well as along Route 202. The East Aspetuck River runs in a north-south direction in the westerly portion of the site proximate to the Route 202 frontage.

The land is unimproved. Prime Farmland Soils and Soils of Statewide Importance are located on the site.

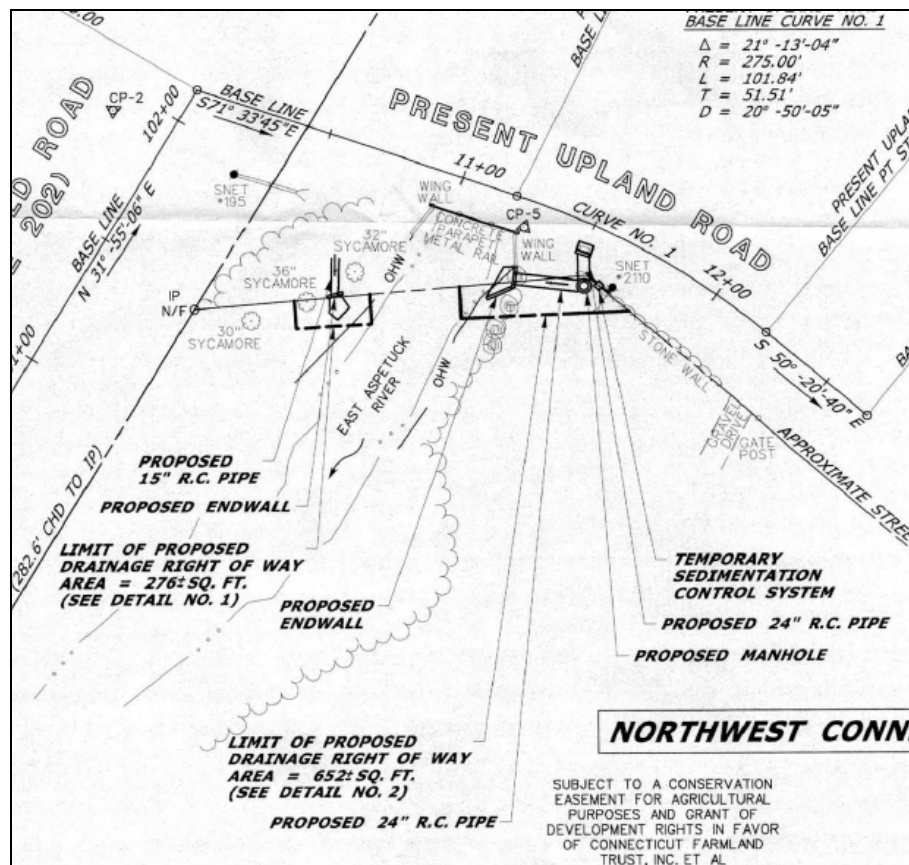




In 2008, the prior land owner, HHFT Charitable Remainder Unitrust (Ruth Henderson), placed a Grant of Development Rights and Conservation Easement for Agricultural Purposes (976/42) on this lot and three other lots totaling 44.0982 acres to Connecticut Farmland Trust and USDA (\$448,934). The property is a portion of the Hunt Hill Farm. HHFT subsequently conveyed the property to Weantinogue Heritage Land Trust, Inc. (976/60), now known as Northwest Connecticut Land Conservancy, Inc.

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

- Two drainage rights of way acquired over an area of 928 square feet (276 sf & 652 sf).





**EOC Valuation:** Consistent with DOT’s agreement with FHWA an estimate of compensation (EOC) worksheet has been prepared for the subject taking. This process is used for simple acquisitions related to minor site improvements where the total cost is typically less than \$10,000. In this instance, DOT Staff valued the 28.7 acre residentially-zoned site at \$0.40/SF (\$17,424/acre, or \$500,000 rounded lot value). The following table indicates the results of the DOT Estimate of Compensation, prepared as of 3/11/2022:

| <i>Item</i>                              | <i>Calculation</i>       | <i>Damages</i> |
|--|--------------------------|----------------|
| Drainage Rights of Way (2)               | 928 SF @ \$0.40/SF x 50% | \$185.60       |
| Contributory Value of Impacted Stone     | Lump sum                 | \$500          |
| Contributory Value of Natural Vegetation | Lump sum                 | \$500          |
|  |                          |                |
|  | <b>Total:</b>            | \$1,185.60     |
|  | <b>Rounded</b>           | <b>\$1,200</b> |

Analysis of EOC Comparable Sales

- Sale #1 – 217 Sawyer Rd, New Milford – Represents the sale of Lot #7 within the Roadside Barn Project, a 7-lot subdivision with a 25.6 acre open space lot and is encumbered by wetlands. While this lot has restrictions dictating improvements and a 50-yr limitation on subdivision (excluding donation for conservation) it does not have the restrictions contained within the easements impacting the subject property. It should also be noted that the Grantee had previously (2 months earlier) acquired the abutting Lot #6 (6.74 ac) for \$300,000, and subsequently combined the two lots.
- Sale #2 – 100 Homestead Dr, New Milford – Walker Brook Farm in what appears to be the conveyance of the remaining 28 lots in a 78-lot Cluster Conservation Subdivision (with additional open space). This property also has restrictions regarding development but all lots can be improved. It was advertised as a 29-lot subdivision and was purchase by an abutter (Kimberly).
- Sale #3 – Stillson Hill Rd (Lot 46/16) – Represents the sale of a 26.67 acre unrestricted lot, purchase by the owner’s opposite the property at 201 Stillson Hill Rd.

DOT provided the following narrative to award an additional \$6,100 to the Grantor(s) as follows:

**Justification for Agreement:**

The proposed acquisition is for two drainage rights of way consisting of a total of 928±sf. Based on comparable land sales, a unit value of \$0.40/square foot was established and a value of \$185.60 given to the easement area at 50% of the full value, with \$500.00 in contributory value for the impacted natural vegetation and \$500.00 in contributory value for the impacted stone wall. Based on this, the total offer of compensation was \$1,200.00.

The majority property owner, Northwest Connecticut Land Conservancy (NCLC), felt that the State’s offer of \$1,200.00 was low and provided a counteroffer in the amount of \$9,750.00. They argued that \$500.00 for the impacted natural vegetation was far too low seeing as a 36” Sycamore tree will be impacted on property that is protected by land conservation easements from The CT Farmland Trust, United States Department of Agriculture (USDA), and the State of Connecticut Department of Energy and Environmental Protection (DEEP). Therefore, any impact to natural vegetation/trees is worth far more given the conservation and environmental protection of the property. In addition, they requested to be compensated for their attorney fees related to this acquisition given the complicated nature of the property with the various conservation easement holders. NCLC stated it was fundamental to have their attorney review this acquisition to ensure they are in compliance with their own processes but also those of the USDA, CT DEEP, and CT Farmland trust.

Negotiations persisted and an agreement was reached for total compensation in the amount of \$7,300.00, to help offset the associated attorney fees and impact to the trees/natural vegetation within the conservation easements on the property.

An increase of \$6,100.00 is considered reasonable given the complicated nature of the acquisition as a result of the land conversation easements from multiple entities on the property. It is also appropriate to increase the contributory value for the natural vegetation/impacted tree due to the high importance of conservation and environmental protection on the property.

Negotiations concluded with an agreement of \$7,300.00 as just compensation for this acquisition.

Staff inquired with DOT regarding the following issues:

- 1) Please clarify whether the property, subject to the Grant of Development Rights and Conservation Easement for Agricultural Purposes (976/42), permits the DOT encumbering the land with these two new Drainage Rights of Way.

DOT Response: This office is working directly with the USDA to obtain a subordination agreement for the easement in question. The USDA has a list of required documentation that must be provided for a complete review before executing a subordination agreement. This office has worked to compile and submit all of the required documentation to the USDA with the exception of the required environmental documents, which will be submitted to the USDA by DOT's Office of Environmental Planning on Monday, January 9, 2023. We are currently awaiting their formal response while moving forward with our process in an effort to complete the transaction as quickly as possible.

Staff Response:OK

- 2) If the Easements in place, stated above, do allow DOT to acquire these two DROWs on the site, please clarify if both the Connecticut Farmland Trust and US Department of Agriculture need to formally approve of the two DROWs.

DOT Response: Both entities have provided letters of concurrence regarding this transaction as part of the USDA's list of required documents mentioned above.

Staff Response:OK

- 3) Please provide the Title Search utilized to determine that the Town of New Milford has a 20% interest in this property.

DOT Response: The chain of title was prepared, reviewed, and documented by this Office's title searchers to establish who the appropriate owners of record are, as is done on every property the office acquires from. The title search file is too large to attach via email. It has been uploaded to SPRB's SharePoint page and named "095-257-002 Title Search" for your reference.

Staff Response: The Title Search identified the conveyance of a 20% interest in the property on 12-30-2008, for \$190,000, recorded in the New Milford Land Records (978/457). OK

- 4) Please clarify how the use of the three comparable sales provided – sales of land that can be improved with dwellings – is considered similar to the subject property – land that is restricted from all development.

DOT Response: Our research of the market indicated a paucity of properties in the area with conservation easements. That said the use of 50% fee was applied to the easement in recognition of the subject's limited use.

Staff Response: The Board's review of Proposals acquiring Development Rights to agricultural land indicate the per-acre value of conserved land does not approach 50% of Fee Simple Value and is likely 10-25% of Fee Simple dependent on location. Given the minimal area impacted by the DROW (928 SF @ \$0.40/SF x 50% = \$185.60), Damages are minimally affected. OK

- 5) Please clarify if DOT had inquired with the Department of Agriculture or the Department of Energy and Environmental Protection regarding any research with respect to sales of land subject to development restrictions.

DOT Response: This office did not discuss property values with Department of Agriculture or DEEP. Any discussions regarding land sales and property values were kept within this office as it is an office of real estate professionals who handle the acquisition of many different types of properties with and without encumbrances on a daily basis.

Staff Response: DOT does not consider an EOC an Appraisal pursuant to USPAP, and as such Staff preparing said EOC are not subject to the Competency Provision of USPAP. Any future

DOT projects impacting conserved land where Damages are awarded should properly reflect comparable sales of land subject to similar restrictions. OK

**RECOMMENDATION:** Board approval of damages in the amount of \$7,300 is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.

**PRB File #:** 22-210  
**Transaction/Contract Type:** RE – Purchase & Sale Agreement  
**Origin/Client:** DOT/DOT  
**DOT Project #:** 472-048-000  
**Grantor:** The Torrington Lumber Company, Inc.  
**Property:** Torrington, Church St (281)  
**Project Purpose:** Northwestern Connecticut Transit District (NWCTD) – New Facility  
**Item Purpose:** Purchase & Sale Agreement

At 9:30 Mr. Curtis, Ms. Lawrence and Ms. Rivers, all from the Department of Transportation, joined the Meeting to participate in the Board’s discussion of this Proposal. All left the Meeting at 9:55.

**PURCHASE PRICE: \$2,100,000**

**Project Background**

The Northwestern Connecticut Transit District (NWCTD) was formed in 1987 and provides service to a seventeen (17) town region and operates:

- Five routes of the Candy Striper Deviated Fixed Route in the towns of Torrington, Winsted, and Litchfield Monday – Friday and in Torrington on Saturday.
- Commuter Bus service from Torrington to Canaan Monday – Friday
- Rural Transit Dial A Ride to the 17-town area
- Rural Inter regional and Rural Independent Transportation Service (RITS)

These services are provided with a dedicated staff of 19 employees and a fleet of 17 medium duty body on chassis buses. NWCTD is currently housed in an undersized leased facility with insufficient space for transportation operations, administration, and vehicle storage. The present office space is split between two rooms that serve multiple purposes, consequently lacking some of the basic requirements for an effective operation such as: private offices, driver training room, employee breakroom, and a boardroom.

Dial-A-Ride was formed according to Connecticut Statutes regarding transit districts and has assumed operating responsibility for public transportation projects formerly sponsored by Torrington and Winchester, including Northwestern Connecticut Rural Transit.

The vehicles are currently stored outdoors with no perimeter fencing or security. This leaves the fleet exposed to the potential of theft and the harsh weather elements that can lead to both financial and operational hardship.

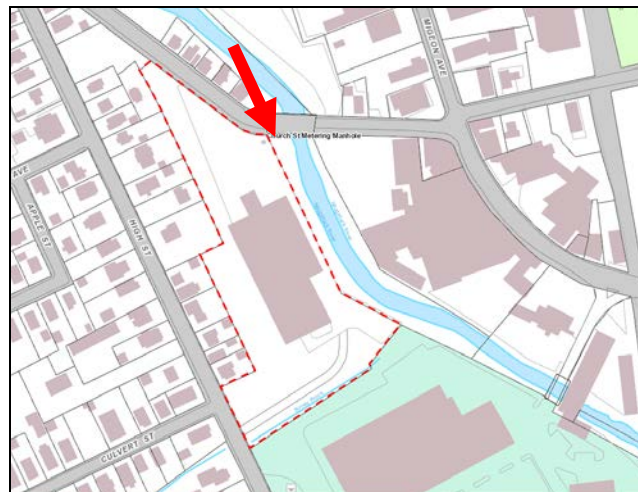
Vehicle maintenance is not feasible at the existing location. As a result, NWCTD has their vehicle maintenance performed at the CTtransit Waterbury facility located in Watertown. This significantly improves NWCTD’s position relative to their ability to maintain their federal and state funded assets to the necessary standard for a reasonable cost. Maintenance at the Waterbury facility is expected to continue after this purchase.

Staff note that the current location of NWCTD is 957 East Main Street, Torrington, a 0.22 acre lot improved with a 3,240 sq.ft. garage with three service bays and approximately 875 sq.ft. of finished office space. There is on-site parking for approximately 15 vehicles.



**SITE DESCRIPTION:** The subject property consists of an irregular-shaped, 4.88 acre (212,749 sf) site with approximately 359 feet of frontage on the southwesterly side of Church Street and 166 feet of frontage on the east side of High Street. The west branch of the Naugatuck River borders the property to the east. Site improvements include asphalt-paved parking, yard lighting and fencing. The property is located in DD (Downtown District) and R-6 (Residential) zones and appears to conform to zoning.

The site is improved with a one-story industrial building containing 48,173 square feet of gross building area. The original building consisting of 10,013 square feet was constructed in 1969. An 8,000 square foot addition was completed in 1984, with a 16,000 square foot addition and a 14,160 square foot addition being completed in 1985 and 1987, respectively.





The Appraiser opines the highest and best use of the site as vacant would be for a quasi-commercial/industrial development for a wholesale company or light manufacturing company to produce, store and/or sell merchandise.

The Appraiser opines the highest and best use of the site as improved is for continuation of the current industrial use as presently improved.

**VALUATION:** The DOT appraisal was completed February 7, 2022 by DOT Appraiser Matthew J. Dufour.

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

**EXTRAORDINARY ASSUMPTIONS: None**

**HYPOTHETICAL CONDITIONS: None**

**Land Valuation:** \$425,000.

**Building Valuation**

**Sales Comparison Approach:** Based on the sales comparison approach, the appraiser considered four sales (2019-2021) of similar-type properties in the greater market area, with a similar highest and best use, as follows:

| Recapitulation of Industrial Building Sales |   |           |             |       |          |           |          |                 |                       |            |              |
|---|---|-----------|-------------|-------|----------|-----------|----------|-----------------|-----------------------|------------|--------------|
| Sale No.                                    | Location                                | Sale Date | Sale Price  | Acres | GBA (SF) | LTB Ratio | % Office | Ceiling Heights | Year Built            | % Occupied | \$/SF of GBA |
| 1   | 187 Commercial Boulevard Torrington, CT | 1-Dec-21  | \$1,230,000 | 2.17  | 26,237   | 3.6:1     | 18.3%    | 14'-16'         | 1991                  | 0%         | \$46.88      |
| 2   | 349 Ella Grasso Avenue Torrington, CT   | 1-Mar-20  | \$1,950,000 | 8.26  | 55,700   | 6.46:1    | 8.0%     | 15'-5"-18'      | 1986                  | 0%         | \$35.01      |
| 3   | 564 Danbury Road New Milford, CT        | 24-Feb-20 | \$1,450,000 | 2.53  | 29,200   | 3.77:1    | 16.9%    | 20'             | 1986                  | 50%        | \$49.66      |
| 4   | 230 Ella Grasso Avenue Torrington, CT   | 31-Dec-19 | \$1,650,000 | 11.72 | 44,760   | 11.41:1   | 11.2%    | 26'             | 1984                  | 0%         | \$36.86      |
| Subj.                                       | 281 Church Street Torrington, CT        | ---       | ---         | 4.88  | 48,173   | 4.42:1    | 5.6%     | 13'-22'         | 1969/<br>1984, 85, 87 | 0%         | ---          |

After adjusting for Transactional, Locational and Physical characteristics, the Appraiser concluded that the fair market value of the subject property was \$36.50/sf x 48,173 sq.ft. = \$1,758,315, rounded to \$1,750,000.

**Income Capitalization Approach:**

The Appraiser provided four comparable rentals of similar properties with similar highest and best uses and concluded the rental was \$3.75/sf on a Net basis, with Potential Gross Income and Effective Gross Income calculated as follows:

| Pro Forma Net Operating Income                                   |                  |               |
|--|------------------|---------------|
| Item   | Annual           | \$/SF         |
| Potential Gross Rental Income:<br>(\$5.75/sf x 48,173 sf of NRA) | \$180,649        | \$3.75        |
| Less: Vacancy & Collection Loss (@ 7.5% of PGI)                  | (\$13,549)       | (\$0.28)      |
| Effective Gross Income (EGI)                                     | \$167,100        | \$3.47        |
| Less: Management Fee   | (\$5,013)        | (\$0.10)      |
| Less: Reserves   | (\$7,226)        | (\$0.15)      |
| <b>Pro Forma Net Operating Income</b>                            | <b>\$154,861</b> | <b>\$3.21</b> |



The Appraiser then capitalized the Net Operating Income by a market-supported overall capitalization rate, as follows:

|                               |                    |
|-------------------------------|--------------------|
| Net Operating Income          | \$154,861          |
| Capitalization Rate           | 0.0900             |
| Indicated Value               | <u>\$1,720,678</u> |
| Rounded to (nearest \$25,000) | \$1,725,000        |
| \$/SF                         | \$35.81            |

Reconciliation and Value Conclusion - Before

| Approach                         | Opinion of Market Value |
|----------------------------------|-------------------------|
| Sales Comparison Approach - Land | \$425,000               |
| Sales Comparison Approach        | \$1,750,000             |
| Income Capitalization Approach   | \$1,725,000             |
| Conclusion of Market Value       | \$1,750,000             |

DOT Narrative in support of this acquisition:

NWCTD Northwest Connecticut Transit District has been seeking a permanent home for their operations since their inception and has investigated multiple properties in the area over the years. Currently they are leasing space at 957 East Main Street in Torrington, CT. The lease is expiring on February 28, 2022 so there is an urgency to find a new facility, and preferably a permanent location.

Additionally, the State of Connecticut is undertaking the full electrification of the transit system to improve operation efficiencies, reduce Greenhouse Gas emission and improve air quality which creates further urgency to resolve the location of the facility.

In order to electrify the transit fleet there will need to be provision made to these facilities to provide the necessary infrastructure for the storage and charging on the vehicles. Due to the capitol expense of the charging infrastructure, it makes sense to install the equipment in State of Connecticut owned facilities and size the facility to allow indoor storage of the vehicles for security of the vehicles, also by storing them in conditioned space allows for improved performance of the electrical vehicles.

In September of 2021 the property of 281 Church Street was listed for sale at \$1,795,000. The property was previously used as a bus operating and bus storage facility for a legacy bus carrier in the Torrington area that discontinued operations in the 1980's. The property consists of a 212,749 square foot (4.88-acre) site located along the southwesterly side of Church Street and east side of High Street in the city of Torrington, Connecticut. Improvements on the site include a multi-tenant industrial building constructed in 1969, with additions being built in 1984, 1985, and 1987. This single-story building contains 48,173 square feet of gross building area (GBA), of which 2,680± square feet (5.6%) is heated and air-conditioned office space. The balance of the space (45,493± sf) is light manufacturing and warehouse space. As of the date of valuation, the improvements are 100% occupied and considered to be in average overall physical condition.

The property at 281 Church Street, Torrington has been identified as well suited for an operations and administration facility. The existing 48,000± square foot building offers office space and ample indoor storage for the entire NWCTD fleet. The proposed location would allow for inhouse vehicle cleaning. This capability would further enhance NWCTD operations efficiencies. The site also has adequate room for circulation, multiple access points to the street network, and quick access to the hub of the service area in downtown Torrington.

We believe that this site is appropriate and offers the opportunity to achieve the stakeholder's collective goals. As you know, over the last decade studies to identify a suitable parcel appropriate for the needs of the district were performed, but that work never resulted in a consensus that could be advanced to final design. In this case, much of the existing structure on this site can be used as is, or modestly retrofitted. It is an existing commercial property well suited to this re use and in an area appropriate for a transit facility.

Additionally, there are many transit stakeholder groups in the region that area that could utilize the facility in partnership with the state of Connecticut. With our ongoing progressive relationship with the City of Torrington, it will be possible to pursue relations with other municipal, social service, and private organizations to develop the property into a tremendous asset for the region. These partnerships and the capital investment in the property will help to reduce the cost of operation and allow us to maximize the use of our precious operating funds to best serve the public.

An appraisal of the property was done by CTDOT staff to determine the value of the building and land on March 4, 2022 (see attachment). The appraisal determined the property and land were valued at \$1,750,000.

CTDOT retained the services of an environmental consultant and prepared a Phase 1 and limited Phase 2 (see attached). The results of the investigation a Task 210 (Subsurface Site Investigation) of the Torrington Lumber Co. parcel in Torrington, CT on behalf of CT DOT. The investigation focused on soils and groundwater associated with the previously identified AOCs. Based on the data presented in this report, the consultant made the following conclusions:

- The site was found to be relatively free of soil contamination.
- Total (mass) metals contamination found was minor, and below applicable RSR criteria in all of the soil borings.

A previous needs assessment of Norwest Transit district determined the need for a Transit facility of approximately 30,000 SF in size. The cost estimate if 2022 dollars is approximately \$15,000,000.

The existing building is in good condition and is suitably sized to store the existing fleet and has capacity for 20% future expansion. The facility can store the busses without any modification.

Subsequent to the appraisal, the owner of the property contacts the CTDOT and informed CTDOT that he had an offer for the property and business for \$2,100,000 and requested the CTDOT match the offer.

Based on the significant cost saving over construction a new faculty, and urgent need for a suitable permanent location for NWCTD, we recommend purchasing the property at 281 Church Street we purchase the property for \$2,100,000.

We respectfully request the boards consideration of the request.

**RECOMMENDATION:** Board approval of the Purchase & Sale Agreement in the amount of \$2,100,000 is recommended for the following reasons:

1. The acquisition complies with Section 13a-73(c) of the CGS which governs the acquisition of property by the commissioner of transportation required for highway purposes.
2. The proposed location will consolidate NWCTD operations at one, centrally-located

downtown, property.

3. The size of the existing facility will permit NWCTD to service and maintain all vehicles on site and provide for secure interior storage of all vehicles.
4. The capitol expense of the electric-charging infrastructure will be on state-owned property, not at a leased site.
5. DOT's most recent estimate to build a new facility was last estimated at \$15 million. This acquisition, with subsequent improvements, will be a significantly reduced capitol expense.
6. Staff research revealed only one other property available at 588 Winsted Rd, Torrington, a 3.8 acre site improved with a 14,640 sf building (c.1972). List price = \$2,950,000.



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

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

**7. OTHER BUSINESS**

**8. VOTES ON PRB FILE:**

**PRB FILE #22-204** – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #22-204. The motion passed unanimously.

**PRB FILE #22-210** – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #22-210. The motion passed unanimously.

**9. NEXT MEETING** – Tuesday, January 17, 2023.

The meeting adjourned.

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