

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On April 27, 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 April 27, 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

Keith Epstein, CSCU
Ernestine Weaver, Esquire, CSCU
Cameron Weimar, 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 April 24, 2023 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:49. The motion passed unanimously. Mr. Weimar of the Department of Agriculture was invited to participate in the Board's review of this Proposal. He left the Meeting at 10:10.

EXECUTIVE SESSION

<i>PRB #:</i>	23-044-A
<i>Transaction/Contract Type:</i>	AG / PDR
<i>Origin/Client:</i>	DoAG/DoAG

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

PRB #: 23-045-A
Transaction/Contract Type: AG / PDR
Origin/Client: DoAG/DoAG

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

PRB #: 23-048-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 10:11. The motion passed unanimously.

OPEN SESSION

PRB File #: 23-052
Transaction/Contract Type: RE – Legislative Conveyance
Origin/Client: BOR / BOR
Grantee: Area Cooperative Educational Services (ACES)
Property: North Haven, Bassett St (88)
Project Purpose: Conveyance of Former Gateway CC - 20± Acres
Item Purpose: Legislative Conveyance pursuant to SA 21-33 (1)

At 9:32 Mr. Epstein and Attorney Weaver joined the Meeting to participate in the Board's discussion of this Proposal. Both left the Meeting at 9:45AM.

CONVEYANCE PRICE: \$1

April 25, 2023 Update:

At its meeting held on April 17, 2023, the State Properties Review Board voted to suspend this item pending resolution of the following:

1. Receipt of a Quit Claim Deed conveying the Property executed by the Treasurer of the State of Connecticut.

On April 25, 2023, a Quit Claim Deed signed April 24, 2023 by State Treasurer Erick Russell was delivered to the Board.

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

1. The Quit Claim deed is consistent with Section 1 of Special Act 21-33, signed by the Governor on July 13, 2021;
2. The conveyance requires ACES to utilize the facility for Magnet School or other Educational Purposes and includes a reverter clause if the facility is used not utilized as such, is leased or if sold;
3. The conveyance requires an Agreement for the GCC Automotive Program to continue to utilize the ground level area until it is relocated; and

4. The conveyance requires an easement to the town of North Haven for recreational purposes which is achieved by referencing rights/deeds contained in the original 1986 sale of the campus from the town of North Haven to the State recorded in volume 349, beginning on page 597.

Project Background

In 1985, the State of Connecticut purchased Orchard Hill Junior High School at 88 Bassett Road, North Haven, from the town for \$5,000,000. This acquisition provided an academic facility and parking for Greater New Haven State Technical College. The athletic playing fields remained North Haven property for community use. In 1992, the merger of the Technical College and South Central Community College rebranded both as Gateway Community College (GCC). The North Haven campus became one of two GCC locations. In 2012, GCC opened its new Church Street, New Haven, campus, resulting in the closing of their Long Wharf campus and portions of the North Haven Campus. GCC's Automotive Technology program remained at North Haven, with original plans to relocate the program to a new facility by 2015. To date, state bond funds have not supported development of a new location for the Automotive Technology Program. Of the 170,000 North Haven square foot facility, the Automotive Technology program occupies approximately 65,000 square feet in lower level space. From 2013 to 2018, the New Haven School System leased much of the available 105,000 square feet as academic high school space for the Creed School and, in the final two years, the Hyde School. As of the 2019 - 2020 academic year, ACES holds the lease on the available 105,000 square feet.

Under this Proposal (PRB #23-052) The Board of Regents for Higher Education seeks Board approval of this Quit Claim Deed conveying approximately 20.313 acres of land with improvements known as Gateway Community College – North Haven Campus to Area Cooperative Educational Services (ACES) pursuant to Section 1 of Special Act 21-33.



Courtesy: Google Maps



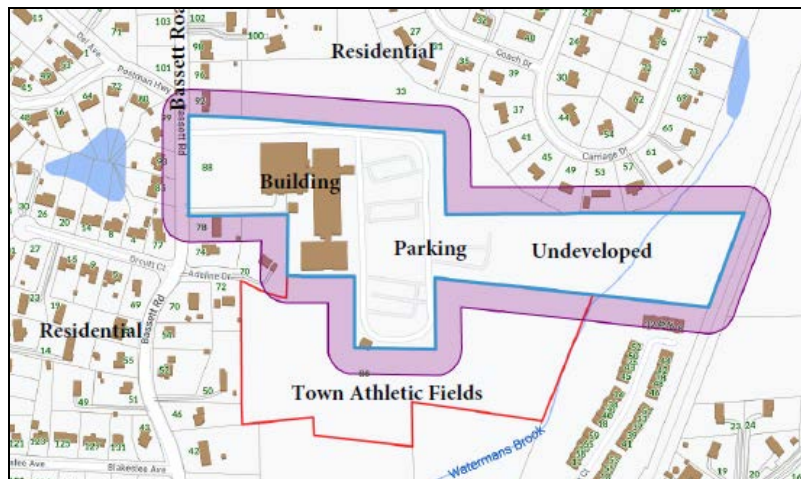
Front Elevation – North



Side Elevation - East



Rear Elevation - South



A summary of the conveyance is as follows:

1. Section 1 of Special Act 21-33 stipulates the conveyance of 20.03 acres at 88 Bassett St, North Haven to ACES. The conveyance shall be subject to the approval of the State Properties Review Board.
2. Section 1(b)(1) requires ACES to utilize the property for Magnet School or other Educational Purposes. Ownership in the property shall revert to the State if the following occurs:
 - 1) Does not use said parcel for either of said purposes;
 - 2) Does not retain ownership of all of said parcel; or
 - 3) Leases all or any portion of said parcel.
3. Section 1(b)(2) requires the Board of Regents to retain an easement for the operation of an automotive program on said parcel until such program is moved to a new location. The Board of Regents and ACES shall enter into an agreement concerning said easement, which shall include terms for the operation of such program until the program is moved to such new location.
4. Section 1(b)(3) requires the land will be subject to an easement to the town of North Haven for recreational purposes.
5. Section 1(c) requires the State Properties Review Board to complete their review within 30 days receipt from BOR.

With respect to Item #3 above, BOR has provided an executed copy of the License Agreement and Operating Agreement for Gateway CC's continued use of the ground floor for its automotive program. There is no License Fee and the Agreement will only terminate upon the relocation of the automotive program to another facility. Gateway will reimburse 40% of total utility expenses, as invoiced by ACES, Gateway will provide its own: security guard, custodial and surveillance monitoring. ACES will provide all interior/exterior maintenance through the 5th year (capped at \$550,000), parking for BOR and meet the state's insurance requirements.

The Special Act Language is as follows:

Special Act No. 21-33

AN ACT CONCERNING THE CONVEYANCE OF A PARCEL OF STATE LAND IN THE TOWN OF NORTH HAVEN.

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

Section 1. (*Effective from passage*) (a) Notwithstanding any provision of the general statutes, the chairperson of the Board of Regents for Higher Education shall convey to Area Cooperative Educational Services a parcel of land located in the town of North Haven, at a cost equal to the administrative costs of making such conveyance. Said parcel of land has an area of approximately 20.0313 acres and is identified as Lot 043 on town of North Haven Assessor's Map 075 and is further identified as "AREA = 20.0313 ACRES" on a map entitled "State of Connecticut, Department of Administrative Services, Bureau of Public Works, Plot Plan, Town of North Haven, Orchard Hill Junior High School, 88 Bassett Road, North Haven, CT, Project No. 854403, Drawing No. 1, Philip W. Genovese & Associates Inc., Engineers & Land Surveyors, Hamden, Connecticut, Scale 1"=80', Date: October 31, 1985". The conveyance shall be subject to the approval of the State Properties Review Board.

(b) (1) Area Cooperative Educational Services shall use said parcel of land for purposes of a magnet school or other educational purposes. If Area Cooperative Educational Services:

Substitute House Bill No. 6685

(A) Does not use said parcel for either of said purposes;

(B) Does not retain ownership of all of said parcel; or

(C) Leases all or any portion of said parcel,

the parcel shall revert to the state of Connecticut.

(2) The Board of Regents for Higher Education shall retain an easement for the operation of an automotive program on said parcel until such program is moved to a new location. The Board of Regents for Higher Education and Area Cooperative Educational Services shall enter into an agreement concerning said easement, which shall include terms for the operation of such program until the program is moved to such new location.

(3) Said parcel shall be subject to an easement in favor of the town of North Haven for recreational purposes.

(c) The State Properties Review Board shall complete its review of the conveyance of said parcel of land not later than thirty days after it receives a proposed conveyance agreement from the Board of Regents for Higher Education, which shall incorporate the agreement described in subdivision (2) of subsection (b) of this section. The land shall remain under the care and control of the Board of Regents for Higher Education until a conveyance is made in accordance with the provisions of this section. The State Treasurer shall execute and deliver any deed or instrument necessary for a conveyance under this section, which deed or instrument shall include provisions to carry out the purposes of subsection (b) of this section. The chairperson of the Board of Regents for Higher Education shall have the sole responsibility for all other incidents of such conveyance.

Approved July 13, 2021

Special Act No. 21-33

2 of 2

RECOMMENDATION: Staff recommends suspension of the Legislative Conveyance to ACES pending receipt of a deed conveying the property, executed by the Treasurer of the State of Connecticut.

1. The Quit Claim deed is consistent with Section 1 of Special Act 21-33, signed by the Governor on July 13, 2021;
2. The conveyance requires ACES to utilize the facility for Magnet School or other Educational Purposes and includes a reverter clause if the facility is used not utilized as such, is leased or if sold;
3. The conveyance requires an Agreement for the GCC Automotive Program to continue to utilize the ground level area until it is relocated; and
4. The conveyance requires an easement to the town of North Haven for recreational purposes which is achieved by referencing rights/deeds contained in the original 1986 sale of the campus from the town of North Haven to the State recorded in volume 349, beginning on page 597.

4. REAL ESTATE – NEW BUSINESS

PRB File #:	23-049
Transaction/Contract Type	RE / Amendment
Origin/Client	DAS / DAS
DAS Project:	SB 21-02
Grantee:	Pennrose, LLC
Property:	Hartford, Trinity Street (18-20 & 30)
Project Purpose:	Sale of Surplus Property pursuant to CGS 42-21(e)
Item Purpose:	First Amendment to Purchase and Sale Agreement

At the State Properties Review Board meeting held on June 30, 2022, the Board approved a Purchase and Sale Agreement for the State to sell two properties to Pennrose, LLC for \$1,100,000. The Office of the Attorney General approved the Agreement on August 12, 2022. The Agreement incorporated the following deadlines:

- 10-12-2022 – Title Approval/Disapproved Title Matters deadline (Article 3.(b));
- 4-12-2023 – Funding Commitment/Financing Period deadline (Article 8.(b)); and
- 2-8-2023 – Due Diligence deadline (Article 9.(b)).

Under this Proposal (PRB #23-049), DAS seeks SPRB approval for a First Amendment to Purchase and Sale Agreement to extend deadlines contained within Articles 3, 8 and 9 of the original Purchase and Sale Agreement, as follows:

1. The last sentence in Paragraph 3(b) is deleted in its entirety and replaced with the following:

Notwithstanding any other provision in this Agreement, Purchaser’s right to terminate this Agreement due to a Disapproved Title Matter in accordance with this section will in no event extend past February 8, 2023.

2. The first sentence in Paragraph 8(b) of the Agreement is deleted in its entirety and replaced with the following:

Purchaser shall pursue financing for the purchase and development of the Property commencing on the Date of this Agreement and ending on the earlier to occur of (i) the date that Purchaser secures all necessary funding commitments (the “**Funding Commitments**”) or (ii) the date that is 12 months following the Date of this Agreement (the “**Financing Period**”).

3. The first sentence in Paragraph 9(b) of the Agreement is deleted in its entirety and replaced with the following:

Purchaser shall have until June 30, 2023 to complete its due diligence and feasibility studies (the “**Due Diligence Period**”).

Article 24 is also amended to reflect updated statutory language.

The First Amendment Purchase and Sale Agreement now incorporates the following deadlines:

- 2-8-2023 – Title Approval/Disapproved Title Matters deadline (Article 3.(b));

- 8-12-2023 – Funding Commitment/Financing Period deadline (Article 8.(b)); and
- 6-30-2023 – Due Diligence deadline (Article 9.(b)).

DAS provided the following narrative to support this request:

- **Financing:** the buyer has been working diligently on obtaining the necessary funds to complete this \$45 million project. The details follow:
 - They have been working with the Capitol Regional Development Authority (CRDA) among others and are now seeking \$6.48 million from CRDA which is lower than the \$10.8 million previously thought necessary. One of the big changes to the budget is the fact that the buyer can qualify for more private historic tax credit equity than formerly thought, before working with CRDA, as well as increasing the first mortgage considerably.
 - Due to the rising high costs for construction and increasing interest rates they have been working on obtaining financing that will include these additional costs.
 - Funding is a combination of equity, bank financing, CRDA financing and tax credits. They are working hard to complete this but due to market conditions and the complexity CRDA will not be able to get on the bond agenda by April 14th . (Bond Commission meetings are often cancelled), which would partially finalize the buyer's financing, and therefore the buyers have asked for an extension to August 12, 2023.
- **With respect to due diligence** – a lot has been completed including hazmat testing, structural investigations, schematic design, envelope engineering investigation, window survey, and steel testing. The buyers have had site tours with SHPO and gotten positive feedback from them on the historic front.
 - Due diligence has revealed:
 - unsurprisingly, space inefficiencies exist in both buildings.
 - deferred maintenance.
 - outdated building systems.
 - poor condition of the exterior, the rear of 18 Trinity has had such extensive water damage that the exterior may need to be completely rebuilt. This requires testing (with a 6–8-week turnaround time on results). The buyers will only begin that testing once financing is secured due to the high costs of the tests. They will not be able to do the testing with results by April 14th, hence they have asked for an extension to June 30, 2023, to do so.

Staff inquired with DAS regarding the following:

1. Please provide a copy of the original Purchase and Sale Agreement signed by the Office of the Attorney General.
DAS Response: Attached.
Staff Response: OK
2. Please clarify if this First Amendment to Purchase and Sale Agreement must be presented to the Committees of Cognizance in the State Legislature for their review.
DAS Response: Yes, it does have to go to the Legislative Committees.
Staff Response: OK

RECOMMENDATION: Staff recommends that the Board approve the First Amendment to Purchase and Sale Agreement.

PRB File #: 23-050
Transaction/Contract Type: RE – Legislative Conveyance
Origin/Client: DAS/DAS
Grantee: City of Torrington
Property: Torrington, South Main Street (153)
Project Purpose: Conveyance of Torrington Armory on 0.69 Acre Lot
Item Purpose: Legislative Conveyance pursuant to SA 22-21 (1)

CONVEYANCE PRICE: \$1

Project Background

The Torrington Armory is a two-story facility containing 22,662 GSF of building area, located on a 0.69 acre site. The Military Department declared the property surplus to its needs in 1993 and the City of Torrington has leased the Torrington Armory since 10/24/1994 (PRB File #93-592). The current lease was approved by the Board under PRB #13-257, with a 5-year renewal approved under PRB #18-044. The Lease will expire 12/31/23. The City utilizes the facility for a variety of purposes include athletic related events, community events and as a polling station for local, state and federal elections.

Under this Proposal (PRB #23-050) DAS seeks Board approval of this Quit Claim Deed conveying approximately 0.69 acres of land with improvements known as the Torrington Armory to the City of Torrington pursuant to Section 1 of Special Act 22-21.



A summary of the conveyance is as follows:

1. Section 1 of Special Act 22-21 stipulates the conveyance of 0.69 acre, identified as the parcel of land located at 153 South Main Street containing the Torrington Armory, at Lot 009 in Block 021 on city of Torrington Tax Assessor's Map 116. The conveyance shall be subject to the approval of the State Properties Review Board.
2. Section 1(b) requires the City to utilize the property for Municipal Purposes. Ownership in the property shall revert to the State if the following occurs:
3. Does not use said parcel and any improvements on said parcel for said purposes;
4. Does not retain ownership of all of said parcel and any improvements on said parcel;
or
5. Leases all or any portion of said parcel and any improvements on said parcel.
6. Section 1(c) requires the State Properties Review Board to complete their review within 30 days receipt from DAS.

The Special Act Language is as follows:

AN ACT CONCERNING THE CONVEYANCE OF A PARCEL OF STATE LAND IN THE CITY OF TORRINGTON.

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

Section 1. (*Effective from passage*) (a) Notwithstanding any provision of the general statutes, the Commissioner of Administrative Services shall convey to the city of Torrington a parcel of land located in the city of Torrington and any improvements on said parcel, at a cost equal to one dollar plus the administrative costs of making such conveyance. Said parcel of land has an area of approximately 0.69 acre and is identified as the parcel of land located at 153 South Main Street containing the Torrington Armory, at Lot 009 in Block 021 on city of Torrington Tax Assessor's Map 116. The conveyance shall be subject to the approval of the State Properties Review Board.

(b) The city of Torrington shall use said parcel of land and any improvements on said parcel for municipal purposes. If the city of Torrington:

(1) Does not use said parcel and any improvements on said parcel for said purposes;

(2) Does not retain ownership of all of said parcel and any improvements on said parcel; or

Senate Bill No. 492

(3) Leases all or any portion of said parcel and any improvements on said parcel,

the parcel and any improvements on said parcel shall revert to the state of Connecticut.

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

Approved May 27, 2022

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

1. The Quit Claim deed is consistent with Section 1 of Special Act 22-21, signed by the Governor on May 27, 2022;
2. The conveyance requires the City to utilize the facility for Municipal Purposes and includes a reverter clause if the facility is used not utilized as such, is leased or if sold; and
3. The deed description is consistent with the map description.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER – NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #23-044-A – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #23-044-A. The motion passed unanimously.

PRB FILE #23-045-A – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #23-045-A. The motion passed unanimously.

PRB FILE #23-048-A – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #23-048-A. The motion passed unanimously.

PRB FILE #23-052 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #23-052. The motion passed unanimously.

PRB FILE #23-049 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #23-049. The motion passed unanimously.

PRB FILE #23-050 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #23-050. The motion passed unanimously.

9. NEXT MEETING – Monday, May 1, 2023.

The meeting adjourned.

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