

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On April 7, 2011 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regularly scheduled meeting on April 7, 2011 in the State Office Building.

Members Present: Edwin S. Greenberg, Chairman
Bennett Millstein, Vice-Chairman
Bruce Josephy, Secretary
Mark A. Norman
Pasquale A. Pepe
John P. Valengavich

Staff Present: Brian A. Dillon, Director
Mary Goodhouse, Real Estate Examiner

Chairman Greenberg called the meeting to order.

Mr. Norman moved and Mr. Millstein seconded a motion to enter into Open Session. The motion passed unanimously.

OPEN SESSION

ACCEPTANCE OF MINUTES OF March 31, 2011 and April 4, 2011. Mr. Norman moved and Mr. Millstein seconded a motion to accept the minutes of March 31, 2011 and April 4, 2011. The motion passed unanimously.

OTHER BUSINESS, REAL ESTATE/ARCHITECT-ENGINEER

Discussion with Public Works on the use of Net Useable versus Rentable Square Feet in the DPW Standard Lease. Attorney Rachel Whitesell and Shane Mallory, DPW Leasing Administrator, joined the meeting at 9:35a.m. to discuss a DPW proposal to change the lease language used to define the demised premises.

Currently, the DPW Standard Lease uses a Net Usable Square Feet (NUSF) definition. This definition is not an industry standard, and according to Mr. Mallory it has caused confusion resulting in no discernable benefit to the state. Mr. Mallory said that OPM (Asset Management) and DPW have agreed that the NUSF definition should be replaced with Rentable Square Feet (RSF) which is the customary definition in the real estate industry. To accomplish this several areas of the state standard lease will be need to be changed.

Mr. Mallory explained that although the demised area is now defined as NUSF, the rental rate paid includes the lessee's pro-rata share of the facility's common area expenses. Defining the demised premises in terms of NRA would not increase the cost of the leased space, but would make lease execution less complex and would make it easier for DPW to evaluate competing proposals. After some discussion of the fiscal impact of such a change, which was determined to be neutral, the Board members agreed to provide a memorandum to DPW stating that the Board did not object to the proposed change in the Standard Lease, provided that the Board had an opportunity to comment on the revised new lease language.

Mr. Mallory and Attorney Whitesell left the meeting at 9:50 a.m.

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, April 7, 2011

Page 2

REAL ESTATE - UNFINISHED BUSINESS

PRB # 11 - 035 **Transaction/Contract Type:** RE / Lease-Out
Origin/Client: DOA / DOA
Lessee: Abell, Kim & Shaw, Mike
Property: N/S Norwich-Colchester Road (a/k/a Norwich Ave.), W/S Geer Road, and E/S and W/S of Roger Foote Road, LEBANON & COLCHESTER CT

Project Purpose: Agricultural Lease Agreement, Lebanon and Colchester

Item Purpose: To lease a total of 163 acres of land (Area 1: 16 acres; Area 2: 92 acres; and Area 3: 55 acres) located on the Lebanon Agricultural Reserve a/k/a Savin Farm, with improvements, for use as a dairy facility and cottage.

Ms. Goodhouse reported that this item and PRB #11-064, which is New Business on today's agenda, concern agricultural leases at the 573.494 acre Savin property, purchased in 1993. At that time, the Commissioner of Agriculture formed a Task Force to recommend future uses for the property. The Task Force Report made short, intermediate and long term recommendations which included cropland lease areas, livestock lease areas, aquaculture lease areas, and identified areas that would appropriately be managed jointly with DEP for wildlife and forestry purposes. Section 22-26jj(d) gives the Commissioner the authority to lease property if approved by OPM as part of "demonstration project". OPM participated in the Task Force Report, and consequently approved the use of the property for demonstration projects in 1995. Agriculture continues to lease the property as a demonstration project, and the current proposals are a continuation of that policy.

The report presented by Agriculture details the RFP and selection process. An invitation to submit proposals was issued December 3, 2009. An open house was held on December 15, 2009. The closing date to submit a proposal was February 1, 2010, when 6 bids were received.

With respect to PRB #11-035, Agriculture reviewed the proposals and on selected the Kim Abell and Mike Shaw, because their proposal satisfied the criteria given priority by the Department for good credit, good history of maintenance of a farm, incubator of new farm business or strategic growth in existing business, presence of farmer 24/7, and desire to maintain farm as an active dairy.

The base rental rate of \$1,700/ month is net to the Department of Agriculture, as proposed by the successful bidder. The rental rate will be adjusted annually based on the price of milk as established by the Northeast Federal Milk Order. For example, if the producers are paid \$17.00/hundred weight of milk, the rental payment will be \$1,700/month. If payments drop to \$16.00/hundred weight, the rental payment will be \$1,600/month. The rental rate will in no circumstances be less than \$1,200/month. In the past five years, the producer prices have ranged from \$13.01 per hundred weight to \$19.85 per hundred weight. The lease payments are deposited by DoAG in a non-lapsing account for the maintenance of the Lebanon Agricultural Reserve.

PRB # 11 - 040 **Transaction/Contract Type:** RE / Voucher
Origin/Client: DOT / DOT
Project Number: 171-305-048
Grantor : Rong Chang Ni, et al
Property: 11 Chapman Road, Newington, CT

Project Purpose: New Britain/Hartford Busway

Item Purpose: Acquisition of 1,114 sq. ft. of land and 1,572 sq. ft. easement for transportation purposes and associated site improvements

Mr. Dillon said that this item was reviewed by the Board at its meeting held on March 3, 2011 when it was determined to approve PRB #11-040 when the new administration had determined to proceed with construction of the New Britain to Hartford Busway. On April 4, 2011, Governor Malloy endorsed the project and

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, April 7, 2011

Page 3

announced that \$89 million will be included on the April State Bond Commission Agenda, so that Connecticut can accept \$275 million for Busway funding under the New Starts program administered by the Federal Transit Administration.

Mr. Dillon recommended approval of the proposed acquisition.

REAL ESTATE - NEW BUSINESS

PRB # 11 - 064 **Transaction/Contract Type:** RE / Lease-Out
Origin/Client: DOA / DOA
Lessee: Cushman Farms Limited Partnership
Property: S/S Norwich-Colchester Road (a/k/a Norwich Ave.), W/S Geer Road, and E/S and W/S of Roger Foote Road, LEBANON & COLCHESTER CT

Project Purpose: Agricultural Lease Agreement, Lebanon and Colchester
Item Purpose: To lease a total of 92.8 acres of land (located on the Lebanon Agricultural Reserve a/k/a Savin Farm, to plant and harvest crops.

Ms. Goodhouse said the PRB #11-064 is a companion proposal to PRB #11-035, above, and is the result of the same request for proposal process. Agriculture will lease out an area of approximately 92.8 acres of cropland, on the south side of the Norwich-Colchester Road, and are a portion of a 214.10 acre parcel which includes 4 fields . The base rental rate of \$6,032/year is \$65/acre. Competing bidders offered \$50/acre and \$60/acre.

PRB # 11 - 066 **Transaction/Contract Type:** RE / Easement Agreement
Origin/Client: DPW / CTC
Grantee: Connecticut Water Company
Property: Tunxis Community College, 263 Scott Swamp Road, Farmington, CT

Project Purpose: Easement Agreement at Tunxis Community College
Item Purpose: Granting of a permanent utility easement to Connecticut Water Company for the purposes of an underground water line.

Mr. Dillon reported that the Department of Public Works (“DPW”) has been involved with ongoing construction projects related to the upgrade and expansion of Tunxis Community College over the past 6 years. This request is to allow DPW to grant a permanent utility easement to the CT Water Company Inc. for the purposes of providing underground utility infrastructure through the premises. The project encompasses both a revision to an existing water line easement on the property and the proposed extension of the easement approximately 300 feet from an area adjacent to Building 200 to Scott Swamp Road.

DPW has also provided SPRB a site plan detailing the location of the easement and a resolution by the Tunxis Community College Board of Trustees authorizing the Chancellor to enter into such negotiations with DPW and the CT Water Company. Mr. Dillon recommended Board approval because the granting of the easement complies with Section 4b-22(a) of the CGS which gives the Commissioner of Public Works the authority to grant easements on state property “to a public service company.” DPW has provided SPRB a draft copy of the letter notifying the municipality that such an easement has been granted pursuant to 4b-22(a). This correspondence is required after such easements have been granted.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER - NEW BUSINESS

OTHER BUSINESS, REAL ESTATE/ARCHITECT-ENGINEER

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting, April 7, 2011

Page 4

The Board took the following votes in Open Session:

PRB FILES #11-035 & #11-064 - Mr. Pepe moved and Mr. Norman seconded a motion to suspend PRB Files #11-035 & #11-064, subject to the results of a site inspection, to be held on April 8, 2011. The motion passed unanimously.

PRB FILE #11-040 - Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #11-040. The motion passed unanimously.

PRB FILE #11-066 - Mr. Norman moved and Mr. Pepe seconded a motion to approve PRB File #11-066. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____
Bruce Josephy, Secretary