

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On June 25, 2015 State Office Building, Hartford, Connecticut

The State Properties Review Board held its regular meeting on June 25, 2015 in the State Office Building.

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

Members Absent: Bruce Josephy, Secretary

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

Chairman Greenberg called the meeting to order.

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

OPEN SESSION

ACCEPTANCE OF MINUTES OF JUNE 18, 2015. Mr. Norman moved and Mr. Millstein seconded a motion to approve the minutes of June 18, 2015. The motion passed unanimously, except for Mr. Valengavich who abstained from voting.

REAL ESTATE- UNFINISHED BUSINESS

Mr. Norman moved and Mr. Valengavich seconded a motion to go out of Open Session into Executive Session. The motion passed unanimously.

EXECUTIVE SESSION

PRB # 15-132-A **Transaction/Contract Type:** AG / Purchase of Develop. Rights
Origin/Client: DOA / DOA

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

The Board commenced its discussion of the above referenced purchase at 9:33 a.m. and concluded at 9:50 a.m.

Mr. Norman moved and Mr. Valengavich seconded a motion to go out of Executive Session into Open Session. The motion passed unanimously.

OPEN SESSION

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REAL ESTATE – NEW BUSINESS

PRB # 15-138 **Transaction/Contract Type:** RE / TOD Purchase & Sale Amendment
Origin/Client: DOT / DOT
Buyer: City of Meriden Housing Authority
Property: 24 Colony Street, Meriden CT
Project Purpose: Transit Oriented Development Project, as authorized by CGS §13b-79kk
Item Purpose: Contract Amendment for the sale of a 30,992 ±SF property previously acquired by the State which shall be consolidated with the abutting properties for the construction of an Air Rights Garage. The submittal also includes the Garage Construction & Transfer Agreement, Air Rights, Access, Structural Support and Maintenance Easement Agreement and Right of First Refusal Agreement The project is envisioned to include the construction of 63 residential units and an associated parking garage structure containing approximately 273 parking spaces

Under CGS §13b-79kk, the Commissioner of DOT may participate in projects that support improvements to public transportation facilities and meet transit support standards for land use. DOT owns the Meriden Train Station, as part of the New Haven-Hartford-Springfield Line. The Line is being improved with the goal of providing significant new regional rail passenger service.

To provide parking for train passengers, the DOT has agreed to participate in a Transit Oriented Development (“TOD”) Project adjacent to the Meriden train station. The project will also support the redevelopment goals of the City of Meriden, and the affordable housing goals of the Housing Authority of the City of Meriden (“Housing Authority”).

The property to be developed is 3 parcels: 24 Colony Street – owned by CT DOT; and 38 & 44 Colony Street – owned by the City of Meriden. All 3 parcels will be transferred to the Housing Authority. CT DOT will receive \$250,000 for 24 Colony Street. The purchase price of \$250,000 reflects the condemnation damages paid by DOT to acquire the property.

The Housing Authority will enter agreements for the construction of 63 residential units, related commercial space both comprising 65,950± SF, and an associated 4 floor - 273 space parking garage. The 1st floor of the garage will have 48 spaces to be used by the residential tenants. The remaining 3 floors with 225 spaces will be conveyed to DOT to provide commuter and other parking for the Meriden TOD. DOT will provide up to \$9 million for eligible costs, of which \$8.3 has been bonded and \$.7 million will be approved by the State Bond Commission, no earlier than July 2015.

DOT has submitted to the State Properties Review Board the following 4 agreements for Board review and approval:

- 1.** *Amendment to Purchase and Sale Agreement between DOT and the Housing Authority of the City of Meriden* whereby DOT transfers 24 Colony Street (30,992 SF) to the Housing Authority in fee and reserves appropriate air rights and easements associated with the maintenance of the garage. DOT will own the entire garage except the 1st floor. DOT will also receive contiguous and congruent air rights for any portion of the garage built on 38 and 44 Colony Street.

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The Purchase & Sale Agreement was approved by SPRB (RB #13-242) on November 18, 2013. The parties agreed that closing (transfer of title of 24 Colony) to occur upon: (a) evidence of sufficient financial assistance for Developer to complete the project; and (b) execution of the Housing Authority-DOT Garage Construction and Transfer Agreement. The Amendment changes the Agreement as follows: the term Airspace is changed to Air Rights; all references made to a reversion of the premises to DOT have been deleted. Instead, the DOT shall receive a right of first refusal, in a form acceptable to the DOT, the Housing Authority, and the Developer, with respect to the first floor of the Garage (see item 4, below).

DOT has submitted a copy of the Quitclaim Deed transferring title to 24 Colony Street from the State to the Housing Authority, to be approved by the Attorney General.

2. *Garage Construction and Transfer Agreement between the DOT and the Developer (Colony Residences LLC & Colony Garage LLC).*

Agreement for: (1) the construction by Developer of the Air Rights Garage according to DOT specifications and requirements; (2) progress or periodic payment funding of a portion of construction costs by DOT (these eligible costs currently contemplated at \$9.0 million); and (3) the granting of the Air Rights, Structural Support and Maintenance Easement and the transfer of the Air Rights Garage to DOT (Purchase & Sale Agreement, guarantees, design and construction performance criteria, quality control and assurance plan, statement of special inspections, forms of easement, including air rights, structural support and maintenance easement agreement, periodic payment schedule, right of first refusal and State contracting requirements are appended to this Agreement).

3. *Air Rights, Access, Structural Support, and Maintenance Easement Agreement between DOT, the Housing Authority and the Owner and Developer (Colony Residences LL and Colony Garage LLC).* This Agreement facilitates the construction and operation of the Garage, and establishes DOT's air rights, access, structural support, and maintenance easements.

- The Air Rights Easement is perpetual, and the Easement Area contains the airspace over the first floor of the garage that houses the "State Garage Improvements".
- The Structural Support Easements are perpetual is & the rights to access and maintain all structural supports constituting a part of the Garage for the Support of the State Garage Improvements.
- The Access Easements provide perpetual pedestrian and vehicular access from Colony Street over the Owner Garage Improvements to the State Garage Entrance & Improvements.
- The Maintenance Easement provides perpetual access through the Owner Garage Improvements for the repair and maintenance of any facilities located on or under the property.
- Miscellaneous easements and agreements the rights and responsibilities of the parties.

4. *Right of First Refusal Agreement between DOT, the Housing Authority, and Colony Residences LLC.* This Agreement replaces the reverter language in the 2013 Purchase and Sale Agreement

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(PRB #13-242). As described above, the Owner Garage Improvements comprise the 1st floor and any subterranean portions of the Garage. The Right of First Refusal grants DOT the right to purchase the Owner Garage Improvements, if the Owner receives a bona fide offer from a third party. DOT has 45 days to indicate its desire to purchase, matching the third party offer. The Right of First Refusal also extends to a bona fide offer made to the Owner to lease the garage improvements to a third party.

SPRB staff recommended approval of the four agreements. DOT has supplied the Board an executed copy of the agreements, an executive summary memo, and correspondence from OPM approving the agreement, as required by statute. The agreements are generally consistent with the statutory requirements of CGS 13b-79kk and as such Staff is recommending Board approval of the agreements.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #15-132-A – Mr. Norman moved and Mr. Valengavich seconded a motion to approve PRB File #15-132-A. The motion passed unanimously.

PRB FILE #15-138 – Mr. Valengavich moved and Mr. Millstein seconded a motion to approve PRB File #15-138. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____

Bruce Josephy, Secretary