

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On January 23, 2017 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held its regular meeting on January 23, 2017 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

Members Present: Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert

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

Chairman Greenberg called the meeting to order.

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

OPEN SESSION

ACCEPTANCE OF MINUTES OF JANUARY 17, 2017. Mr. Valengavich moved and Mr. Halpert seconded a motion to accept the minutes of January 17, 2017. The motion passed unanimously except for Mr. Josephy who abstained from voting.

REAL ESTATE- UNFINISHED BUSINESS

REAL ESTATE – NEW BUSINESS

PRB #	17-002	Transaction/Contract Type:	RE / Sale
Origin/Client:	DOT/DOT		
Grantee:	Carl S. Brown		
Property:	2090 Norwich – New London Turnpike (CT Route 32), Montville		
Project Purpose:	Sale of former DOT garage facility		
Item Purpose:	Conveyance of approximately 1.21 acres of land improved with a 7,640± SF concrete block service shop building, reserving to the State an easement to drain and a right to access and maintain drainage ditch and pipes as well as a slope easement.		

This DOT sale is of excess property on the westerly side of the Norwich-New London Turnpike (Route 32) adjacent to the Route 2A overpass, and just north of the Eastbound Off-Ramp from CT Route 2A. It was originally acquired in 1972 as portions of 4 separate parcels for the construction of Route 2A and the Thames River Bridge.

There is a total of 233 feet of frontage on the westerly side of Route 32, but DOT is limiting access. The map designates a 75-foot wide access area. DOT is reserving drainage rights, and the right to access and maintain drainage ditches and pipes under, over and across portions of the property. DOT is also

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retaining a slope easement. The site is basically level and at road grade. It is currently zoned for government use. Public utilities include electric, water and sewer. The property includes a 7,640 SF concrete block service shop building that dates from 1965. The building is described as adequate for use as a service shop, suitable for a contractor's use. The building is in below average condition, the site asphalt paving is in poor condition. Although it was used for a repair facility, the site does not appear to qualify as an "Establishment" according to HRP Associates, Inc. An underground tank shown on the map has been removed. The buyer must accept the property as is, with all faults and defects.

The appraisal was completed by the DOT staff appraiser as of 2/26/16. His analysis concluded that commercial use for a service shop would be the highest and best use. His discussions with the town planner indicated that a zone change from government to commercial use was likely. Three sales were examined for which the unadjusted sale prices per square foot of building area were \$62.00, \$53.16 and \$39.54. After adjusting for location, site and building characteristics, the sales indicated a value per square foot of \$50.90, \$48.76 and \$40.34. The appraiser concluded \$47.00/SF x 7,640 SF/gross building area = \$359,000 (rounded). The public bid was held 6/29/2016 with an asking price of \$400,000. One bid was received from Carl S. Brown in the amount of \$275,000. Further negotiations resulted in an agreement for \$306,000.

Staff recommended Board approval of the sale of 1.21 acres, the site of a DOT repair facility, Montville for \$306,000 (\$40.05/SF, GBA). The proposed sale complies with Sections 4b-21, 3-14b, and 13a-80 of the CGS in that DAS, OPM, DDS, DECD and DEEP declined an offer to acquire custody & control, and the Town of Montville declined to purchase. The legislative delegation received the required notification. The release value of \$306,000 is reasonable in that it represents 85% of the appraised value, and is within the range of values considered in the appraisal report. The required Gift and Campaign contributions certification has been provided.

PRB #	17-004	Transaction/Contract Type:	RE / MOU
Origin/Client:	DOT/CAA		
Second Party:	Connecticut Airport Authority		
Property:	Bradley International Airport, Windsor Locks		
Project Purpose:	Roadway realignment of Special Service Road 401 and re-designation of Special Service Road 403 in connection with the construction of the New Ground Transportation Center.		
Item Purpose:	Memorandum of Understanding regarding the reconfiguration of Special Service Road ("SSR") 401 including DOT transfer of excess real property associated with the old location of SSR 401 to the Connecticut Airport Authority; and transfer and re-designation of SSR 403 as a private road.		

Public Act 11-84 authorized the Department of Transportation ("DOT") to transfer the ownership, jurisdiction and authority to control, operate and maintain the airports to the Connecticut Airport Authority ("CAA"). As such, CAA has now proceeded to move forward on various improvement projects related to Bradley Airport and its operations. One of the next projects to be implemented by CAA will be the construction of a Ground Transportation Center at Parking Lot 1.

To initiate the design and construction process for this project CAA will need to complete the re-alignment of Special Service Roads ("SSR") 401 and 403. This roadway project will require the DOT to

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transfer some current roadway property to CAA and for CAA to grant some new roadway property to DOT upon completion

DOT and CAA have entered into a Memorandum of Understanding (“MOU”) to allow for the transfer of the required property to CAA, the subsequent construction of new roadways by CAA consistent with DOT requirements and then the final acceptance and transfer of the new roadways back to DOT upon completion. The MOU contains a series of Plan Sheet Exhibits which are as follows: Exhibit A.) Existing Site Plan and Project Area. Exhibit B.) Project Phasing Plan. Exhibit C.) Preliminary Design Plan for SSR 401 Roadway Improvements to be conveyed to DOT. Exhibit D.) Preliminary Design Plan for Site Improvements to be transferred to CAA via Quit Claim Deed. Exhibit E.) Preliminary Design Plan for Site Improvements and Easements for Property to be transferred along the entire SSR 403 to CAA with required encumbrances.

Staff recommended Board approval for this MOU. The agreement is consistent with the Commissioner’s authority under CGS 13a-80 and CAA’s authority under CGS 15-120cc both of which are subject to Board approval.

PRB #	17-011	Transaction/Contract Type:	RE / Voucher
Origin/Client:	DOT / DOT		
Project Number:	034-305-006		
Grantor:	Western Connecticut Association for Human Rights, Inc.		
Property:	4-26 Pembroke Road, Danbury		
Project Purpose:	Intersection Improvements Route 37 (Pembroke Road) at Stacey Road and Barnum Road, Danbury		
Item Purpose:	Acquisition of three billboard easements, currently used for commercial billboard sites, totaling 1,251± SF located on the westerly side of Pembroke Road in connection with the Route 37 Intersection Improvements Project.		

The purpose of this project is to improve safety and traffic operations at the intersection of Route 37 (Pembroke Road) and Stacey Road, Danbury. The project will realign Stacey Road to form a “T” type intersection with Route 37, and provide a two-lane approach from Stacey Road. Route 37 will be widened to provide an exclusive left-turn lane southbound. A traffic signal will be installed at the intersection, and a curve on Route 37 will be flattened. The funding for this project is 80% federal, 20% state. The estimate for acquiring property rights is \$216,000; the total project estimate is \$1,676,000.

The property affected by the taking is a 24 acre parcel at 4-6 Pembroke Road, improved with a residential condominium. Along the westerly side of the Route 37 frontage, there are 3 billboards. The property is currently owned by Stetson Place Association, Inc.

In 2003, the prior owner CIL Housing Incorporated (“CIL”) gave a 20-year license agreement to All Vision LLC to use and occupy 3 areas for the use and maintenance of billboards. Payments to CIL would be \$6,000/year or 25% of the net income from advertising revenues, whichever is greater. The 3 billboards have a total of 5 panels available for advertising and are currently leased by Outfront Media of North Haven, CT.

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In 2004, CIL granted to Western Connecticut Association for Human Rights, Inc., (“WeCAHR”) three (3) perpetual easements for the purposes of owning, operating, using, maintaining, repairing and replacing a billboard on each location. WeCAHR also received the income from the billboard license agreement.

The easement areas are 430 SF; 275 SF; and 546 SF for a total of 1,251 SF. The billboard structures have a total of 5 panels. For the past four years, the income to WeCAHR has averaged \$7,661/year.

The DOT completed the appraisal, as of 9/20/2016, relying on the income approach to value (simply stated: $\text{Value} = \text{Income} \div \text{Capitalization Rate}$). Capitalization is the act of converting income into value. Using the 2016 revenue, and applying a 10.4% capitalization rate, the appraiser valued the billboard easement as follows: $\$6,453 \div 10.4\% = \$62,048$, rounded to \$62,100, which compensation was accepted by WeCAHR.

Staff recommended approval of \$62,100 in damages for the three billboard easements. 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. The award for damages in the amount of \$62,100 is supported by the DOT appraisal report, prepared as of September, 2016.

ARCHITECT-ENGINEER - UNFINISHED BUSINESS

ARCHITECT-ENGINEER – NEW BUSINESS

OTHER BUSINESS

The Board took the following votes in Open Session:

PRB FILE #17-002 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB File #17-002. The motion passed unanimously.

PRB FILE #17-004 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB File #17-004. The motion passed unanimously.

PRB FILE #17-011 – Mr. Josephy moved and Mr. Valengavich seconded a motion to approve PRB File #17-011. The motion passed unanimously.

The meeting adjourned.

APPROVED: _____ **Date:** _____

John P. Valengavich, Secretary