

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On October 24, 2018 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held its regular meeting on October 24, 2018 in Suite 2035, 450 Columbus Boulevard, Hartford, Connecticut.

Members Present:

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

Members Absent:

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present:

Shane Mallory, DAS Leasing Administrator (9:47AM)
Thomas Pysh, DAS Property Agent (9:47AM)
Thomas Piacenza, DAS Property Agent (9:47AM)

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

1. ACCEPTANCE OF MINUTES: October 22, 2018.

Mr. Valengavich moved and Mr. Halpert seconded a motion to accept the minutes of October 22, 2018. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #:	18-201
Transaction/Contract Type:	RE/Conveyance of Property
Origin/Client:	DOT/DOT
Project Number:	102-166-40A
Grantee:	Town of Norwalk
Property:	Norwalk, Ely Ave (Lot 5-86-246-0)
Project Purpose:	Conveyance of Property
Item Purpose:	Quit Claim Deed pursuant to P.A 17-238, Section 4

Background

In October 1981, the State of Connecticut conveyed this property containing 0.251± acre site improved with a 2,432 masonry construction garage, with the provision that the property be used solely for a municipal public works. The property is assessed for \$198,870, based on a 2015

reevaluation (\$284,100 market value). In 2012, it was learned that the Town of Norwalk was utilizing the property for a different use (not stated) and the property reverted back to the State of Connecticut on June 12, 2012, as recorded in a Quit Claim Deed beginning on page 167 of volume 7617 of the Norwalk Land Records.

On June 11, 2017, the Governor enacted into law Public Act 17-238. Section 4 of this Public Act directed the Commissioner of Transportation to convey the parcel to the Town of Norwalk “at a cost equal to the fair market value of the property, as determined by the average of the appraisals of two independent appraisers selected by the commissioner, plus the administrative costs of making such conveyance.”

Based on information provided DOT obtained two appraisals:

- o Independent Fee Appraiser McCormack – as of 8-22-17 - \$225,000
- o DOT Appraiser Sass – as of 8-18-17 - \$110,000

Both appraisals utilized the hypothetical condition that the land was rezoned from industrial to residential.

Appraiser McCormack adjusted all sales downward by 10% to reflect a single point of access for the comparables (one driveway) whereas the subject is a corner lot. Two of the three comparables were adjusted downward for size.

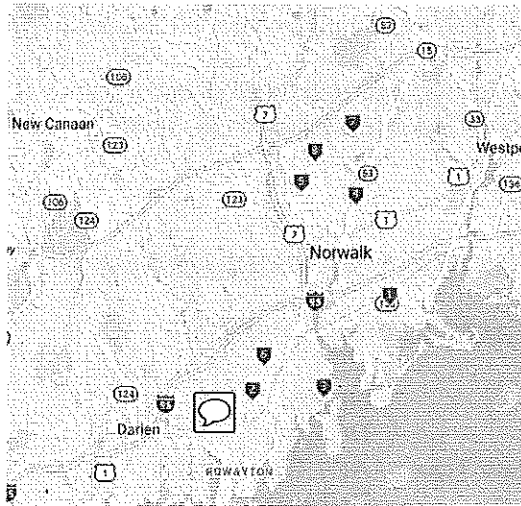
Appraiser Sass adjusted two of the three sales downward by 10% to reflect a superior location and superior view. Sass adjusted all sales downward by \$5,000 for lack of utilities. Staff researched Norwalk GIS Mapping identifying utilities available at all comparable sales indicating an incorrect adjustment.

DOT Review Appraiser Fox reviewed both appraisals and concluded “Sass’ opinion of value of \$110,000 as of August 18, 2017, is both reasonable and justified.” And then concluded “McCormack’s opinion of value, of \$225,000, as of August 22, 2017, could be seen as being within the bounds of reason, however, the appraisal report appeared to be more speculative, and appeared to present far less supportable documentation.”

The average of the two appraisals is \$167,500, and the conveyance stated in the Quit Claim Deed is \$168,000.

To test the reasonableness of the \$168,000 conveyance, Staff researched the Multiple Listing Service for residential lots sales in Norwalk, summarized as follows:

Status	Status Date	Status Date	Prop Type	List/Closed Price	Address	City	Acres	Zone
CLSD	07/31/18	07/31/18	LN/RS	LP: \$169,000 CP: \$165,000	<u>5 Sekdon St.</u>	Norwalk	0.11	C
CLSD	07/14/16	07/18/16	LN/RS	LP: \$150,000 CP: \$150,000	<u>10 Deepwood Lane</u>	Norwalk	0.14	B
CLSD	03/01/18	03/12/18	LN/RS	LP: \$164,000 CP: \$150,000	<u>12 Naromake Ave.</u>	Norwalk	0.15	C
CLSD	08/30/17	09/08/17	LN/RS	LP: \$129,000 CP: \$130,000	<u>1 Newtown Terrace</u>	Norwalk	0.19	B
CLSD	03/16/18	03/19/18	LN/RS	LP: \$165,000 CP: \$145,000	<u>10 Lower Rocks Lane</u>	Norwalk	0.22	C
CLSD	02/05/16	02/05/16	LN/RS	LP: \$109,000 CP: \$100,000	<u>45 Soundview Ave.</u>	Norwalk	0.25	C
CLSD	04/26/17	11/13/17	LN/RS	LP: \$150,000 CP: \$115,000	<u>9 Noahs Lane</u>	Norwalk	0.45	A2
CLSD	04/22/16	04/23/16	LN/RS	LP: \$195,000 CP: \$150,000	<u>136 W. Rocks Rd.</u>	Norwalk	0.50	A2



SPRB Staff had asked following questions regarding this lease renewal.

1. PA 17-238, Section 4 states the conveyance is based on the average of two appraisal, plus the administrative cost. Should the Quit Claim Deed reference the administrative costs?
 - o DOT, informed Staff the administrative costs are included in the \$168,000 sale price.
2. Please upload the two appraisals to SharePoint.
 - o DOT uploaded the two appraisals for Staff review.
3. Why is there a huge discrepancy in the appraised value between the two appraisers and the assessor's 100% market value?
 - o No response.
4. Did DOT perform a Review Appraisal of each appraisal? If yes, please upload to SharePoint.
 - o DOT uploaded the review appraisal for Staff review.

RECOMMENDATION: Board approval is recommended for the following reasons:

1. The conveyance complies with Section 4 of Public Act 17-238 signed into law by Governor Malloy on June 11, 2017.
2. The description in the Quit-Claim Deed is consistent with the 1990 DOT Map.
3. The \$168,000 conveyance appears to be supported by the residential lot sales reviewed by Staff.
4. The Town of Norwalk will incur the costs of demolition and any potential environmental remediation.

EXECUTIVE SESSION

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:45. The motion passed unanimously. Shane Mallory, Tom Pysh and Tom Piacenza, all from DAS Leasing, were invited into the Executive Session.

PRB #: 18-215
Transaction/Contract Type: RE/ Lease Renewal
Origin/Client: DAS/WCC

Statutory Disclosure Exemptions: 4b-23(e), 1-200(6)(D) & 1-210(b)(24)

Shane Mallory, Tom Pysh and Tom Piacenza left the meeting at 10:45.

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 11:00. The motion passed unanimously.

OPEN SESSION

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

PRB #	18-190
Origin/Client:	DCS/DOC
Transaction/Contract Type	AE / Task Letter 1
Project Number	BI-JA-481
Contract	OC-DCS-CA-0029
Consultant:	Jacobs Project Management Co.
Property	Enfield, Shaker Rd (285), Carl Robinson CI
Project purpose:	Bathroom Renovations in Housing Pods
Item Purpose	Task Letter #1 to compensate the consultant for Construction Administration Services

PROPOSED AMOUNT: \$187,920

PROJECT BRIEF– The Carl Robinson Correctional Institution (“CRCI”) is located in Enfield and is comprised of six housing pods for inmates. The Department of Corrections (“DOC”) has requested consultant services for design development and construction administration for the complete renovation of a total of 12 bathrooms in the six housing pods. Each bathroom facility comprises approximately 580 GSF and DCS estimates a total of 8,000 square feet of building area will be affected by this renovation plan. Each bathroom typically includes seven water closets, seven showers, three urinals and nine lavatories. The current plan assumes that the toilet count will remain unchanged but that additional urinals may be added by replacing all single use fixtures with gang type units. The scope of services will also include complete demolition of interior wall partitions, revised floor slab elevations for positive drainage, enlarged plumbing chases, new rough plumbing and bathroom fixtures as well as new lighting and finishes.

DCS states all materials and equipment must meet the standards and level for Correctional Institutions. DOC will vacate each housing pod prior to renovation by relocating the inmate population to other housing pods. DCS estimates the duration of the construction period to be 72 weeks, of which 5 weeks will be idle during relocation of the inmate population. Based on the bathroom count and construction period, it will take roughly 5.5 weeks (27-28 working days) to renovate each bathroom.

Executed Form 1105 has been submitted. DAS has verified that funding is available.

In June 2017, SPRB approved Jacobs Property Management Co. (“JPM”) (PRB #17-148) as one of seven firms under the latest *On-Call Construction Administration Series* of consultant contracts. These contracts have a common expiration date of July 31, 2019 and have a maximum cumulative fee of \$1,000,000.

No contracts have been awarded to JPM under this series.

TASK LETTER #1 is a new task letter and is subject to SPRB approval because the total project fee exceeds the threshold cost of \$100,000. As part of **Task Letter #1** the Total Project and Construction Budget will remain at **\$1,853,800** and **\$2,862,800** respectively. As detailed in the proposed Task Letter #1 with JPM dated June 7, 2018 the task letter fee is intended to compensate the Consultant for the following project scope:

- Construction Phase services;
- Project close-out

Task Letter #1– JPM Basic Fee (PRB File #18-190)	<u>COST (\$)</u> <u>(BASIC)</u>	<u>COST (\$)</u> <u>(SPECIAL)</u>	<u>Total Cost</u>	<u>C. Budget</u> <u>(\$)</u>	<u>(%)</u> <u>Budget</u>
Construction Administration Phase	\$187,920				
TOTAL BASIC SERVICE FEE (#18-190)	\$187,920		\$187,920	\$1,853,000	10.14%

Staff reviewed the proposal for CA (Jacobs Project Management Co.) for the Robinson CI Bathroom Renovations project. This TL 1 is for \$187,920.

The Architect’s fee for this project that was approved earlier was \$183,757 which included CA fee of \$60,070 (ARC fee was within the guideline rate).

Pl clarify the following:

- Please provide justification for \$187,920 (10% of the construction cost) for the CA proposal during the construction phase. Why is Assistant Project Manager required to be at this project for 80 hours every month for 17 months?
- Jacob’s proposal dated July 25, 2018 refers to 5 days between phases to shakedown the renovated area and shift inmates between pods. Does this mean that the project will be idle (for 5 days) while the transfer happens between each pods? In other words, will there be 5 weeks when no work is ongoing other than transferring the inmates (as there are 6 pods)? Should the CA be paid as proposed for this idle time?

DAS/DCS responded to Board inquiries by providing the following:

1. DAS agrees that the fee for the CA Services during Construction is at 187,920.00
2. The CA Portion for the Design Consultant is and differs from the tasks and work of the CA. The CA in this respect acts as the DAS Representative during construction phase to be DA/CS “eyes and ears” when DAS cannot be present when construction is ongoing.
3. The Architects fee will be lower based that the design for two (2) bathrooms in one (1) Pod are typical for all the pods. Same number of fixtures/ arrangements, etcetera.
4. Jacobs APM – 80 Hours per month explanation.
 - a. Typical month has 20 working days.
 - b. The CA typical working day is 8 hours long. Therefore 20 x 8 =160 hrs.
 - c. This would be FULL Time and Jacobs first proposal came in at \$417,000.00.
 - d. DAS/CS performing their due diligence request Jacobs for a proposal based on PART Time and Jacobs responded with \$187,920.00. This met the requirement that this value came under the \$300,000.00 that was on the approved 1105/B-100.
 - e. DAS/CS has gone through the required steps to get this Task Letter and supplemental materials per the required checklists to submit to SPRB.

5. The Design Consultant Estimate that was received during their required SD/DD submission came in at: TOTAL PROJECT COST \$ 6,172,390.00. DAS notified the required personnel of this discrepancy in the Estimate (\$6,172,390.00) and the Value in the 1105/B100 (\$1,853,800.00). It appears that when the 1105/B100 was generated the agency only took into account 1 Pod /2 Bathrooms. This will require a revised 1105/B100 to reflect the change and/or go to bonding for the additional funds. This being known, DAS/CS will use the 6,172,390.00 value to calculate the CA fee as a basis of the Construction Value the resultant is 3.04% of the Construction Value Estimate.
6. Explanation of the 5 Days between projects – During this 5 Day period, there will be multiple items going on just beside moving the inmates. There is going to have to be careful coordination of the Demobilization and Mobilization of the Contractor. There will be Closeout Documentation that will need to be filled out and signatures obtained prior to the inmates/Agency to occupy and use the space. There will be Punch list Items and back-punches for this 5 days to ensure all items are operating accordingly with the Contract Documents. Therefore time will be used for the remaining paperwork to closeout that phase.

RECOMMENDATION:

It is recommended that SPRB SUSPEND Task #1 for Jacobs Property Management Co pending clarification of previous items.

7. OTHER BUSINESS

Chairman Greenberg, Vice Chairman Josephy and Director Desai to attend a meeting with Commissioner Currey on Tuesday, October 23, 2018.

Vice Chair Josephy requested the Board meeting for November 1, 2018 be moved to Wednesday, October 31, 2018. All members agreed.

8. VOTES ON PRB FILES: The Board took the following votes in Open Session:

PRB FILE #18-201 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #18-201. The motion passed unanimously.

PRB FILE #18-215 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #18-215. The motion passed unanimously.

PRB FILE #18-190 – Mr. Josephy moved and Mr. Valengavich seconded a motion to reject PRB FILE #18-190. The motion passed unanimously.

9. NEXT MEETING –Monday, October 29, 2018

The meeting adjourned.

APPROVED: _____

John Valengavich, Secretary

Date: _____

10/29/18