

STATE PROPERTIES REVIEW BOARD

**Minutes of Meeting Held On April 25, 2019
450 Columbus Boulevard, Hartford, Connecticut**

The State Properties Review Board held a Regular Meeting on April 25, 2019 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

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: April 22, 2019.

Mr. Valengavich moved and Mr. Halpert seconded a motion to accept the minutes of the April 22, 2019 meeting. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai provided the Board with information regarding Governor Lamont's announcement that DAS has terminated the Purchase and Sale Agreement for the proposed acquisition of land in Griswold to be utilized for a State Police training facility.

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

PRB #	19-085
Transaction/Contract Type:	RE – Voucher
Origin/Client:	DOT/DOT
Project Number:	034-347-005A
Grantee:	Newtown Road Properties, Inc.
Property:	Danbury, Newtown Rd (65)
Project Purpose:	Intersection and Safety Improvements on Newtown Rd (RT 806)
Item Purpose:	Voucher

DAMAGES: \$6,700.00

PROJECT: The purpose of this Danbury project is to provide intersection improvements on Newtown Road at Old Newtown Road and to provide safety improvements on Newtown Road between Old Newtown Road and Plumtrees Road and between Eagle Road and Industrial Plaza Drive. Proposed work consists of widening Newtown Road from the Public Works Complex driveway to Plumtrees Road. This widening would provide two through lanes in each direction and exclusive left-turn lanes at the two intersections. The widening would also incorporate a raised median between Old Newtown Road and Plumtrees Road, wider shoulders, and upgraded pedestrian facilities. The intersection at Old Newtown Road would be normalized and a new driveway providing access to the Public Works Complex and future commercial development is proposed on its south side. The estimated construction cost for this project is approximately \$9.8 million. This project is anticipated to be undertaken with 80% Federal funds and 20% State funds.

SITE & TAKING DESCRIPTION: The subject site is located on the northwest side of Newtown Road (Route 806), where DOT will take 261 SF of land to accommodate the widening of Newtown Road, along with the addition of a sidewalk. The affected property at 65 Newtown Road is 0.5 acres of commercial land improved with a retail store.

EOC VALUATION: Consistent with DOT's agreement with FHWA an estimate of compensation (EOC) worksheet has been prepared for the subject taking. This process is used for simple acquisitions related to minor site improvements where the total cost is typically less than \$10,000. In this instance, the appraiser valued the site at \$25.65/SF; and recommended compensation as follows as of 1/31/19:

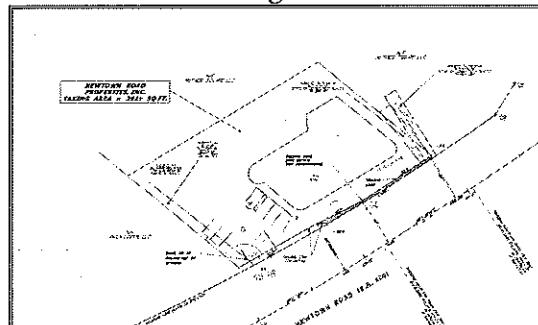
<i>Item</i>	<i>Calculation</i>	<i>Damages</i>
Land	261 SF @ \$25.65/SF = \$6,694.65 rounded to	\$6,700

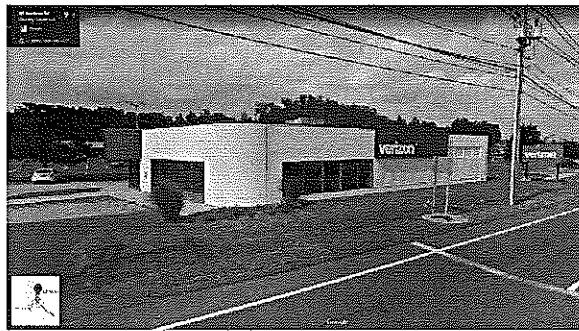
This is the second partial take of this property in conjunction with the project. The initial project was a partial take of 351 SF of land approved by the Board under PRB #17-347. In the previous partial take, the owner was offered \$7,020, or \$20/sf, which the owner rejected in that the City of Danbury valued (100%) the land based on \$31.66/SF. DOT's market research at the time indicated a range of \$17.22/SF to \$25.65/SF for this taking. Based on the sales data, the parties agreed to \$25.65/SF for the original take, approved under 17-347.

In a subsequent, related Plumtrees project, the Board under file #18-111 approved easements based on a complete appraisal that valued the land across the street from the Subject Property at \$25/SF.

RECOMMENDATION: Board approval is recommended for the following reasons:

1. 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.
2. The damages award is supported by the data collected for the DOT estimate of compensation which estimated the value at \$25.65/SF.
3. The damages are consistent with other takings related to the Newtown/Plumtrees Road project.





PRB # 19-093
Transaction/Contract Type: RE – Lease Renewal
Origin/Client: DAS/JUD
Lessor: Main Crosby, LLC (successor to Nolan Enterprises)
Property: Danbury, Main St (319)
Project Purpose: 5-year renewal of lease for JUD continued use
Item Purpose: Renewal Option

Background

The original base lease was approved April 14, 2008 under **PRB #08-111**. A First Amendment to the Lease was approved May 27, 2014 under **PRB #14-147**. The current lease term expires on April 28, 2019. This submittal is a proposal to exercise a 5-year option to renew the lease (2nd Renewal Term) for 6,263 NUSF of office space.

DAS initiated the space planning documents on November 24, 2017, with the Request for Space (RFS) approved on January 5, 2018. The space planning conforms to the State Facility Plan pursuant to CGS §4b-23. DAS advertised the need pursuant to CGS §4b-34 on January 11, 2018 (LP 18-01) with no responses received.

On January 2, 2019, DAS Leasing requested Lessor waive the January 28, 2019 Notice requirement to renew the lease for a 5-year term. The Lessor agreed to waive the Notice requirement on January 3, 2019.

Market Rents: DAS provided data on DSS lease at 342 Main St (\$19.84/sf), a GSA Lease at 131 West St (\$26.40/sf) and a small office condo (\$20/sf).

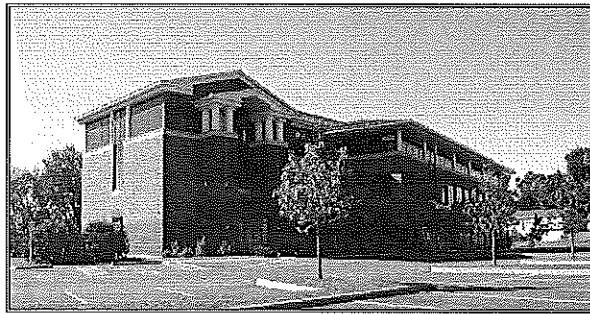
Carpets/Paint: JUD waived carpet/paint requirements with the Amendment in 2014 and when the Amendment was approved, the 2nd renewal option waived carpet/paint requirements.

DAS sought OPM approval for this renewal option on January 4, 2019.

Item	1 st Amendment	2 nd Renewal Option
PRB#	14-147	19-093
Address	319 Main St, Danbury	Same
Leased Premises NUSF	6,263	Same
Initial Lease Term	4/29/2014 to 4/28/2019	4/29/2019 to 4/28/2024
Annual Rent	\$84,926.28	\$90,375.12 (+6.4%)
Base Rent/SF/Year	\$13.56	\$14.43
Renewals	5 years @ \$14.43	None
Surface Parking	17	17
Repaint/Re-carpet Interval	Waived at commencement of 1 st Amendment.	Waived at 2 nd renewal (pursuant to 1 st Amendment)
Additional Rent	Utilities, custodial, trash, task lighting	Utilities, custodial, trash, task lighting
Termination	None	None

SPRB Staff had asked following questions regarding this lease renewal.

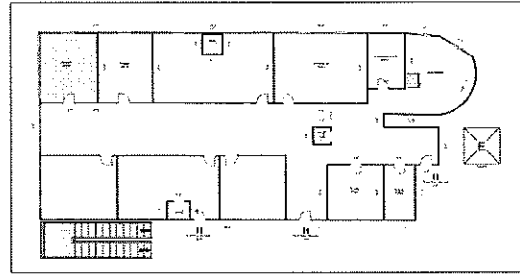
- In the Memo to SPRB and Lease Proposal Evaluation, DAS states there are 20 employees at this location, and the approved RFS (2017) states 17 positions are filled and 3 positions are authorized, but vacant. Section 1.01 of the Lease provides for 17 parking spaces. Please clarify the employee count and if the parking is sufficient to support the staffing (20) without incurring additional cost to the Agency for the additional three employees.
 - This was based on Judicial' s request and hence the 17 parking spaces is sufficient. Just as we do with state owned, we are looking to not provide one to one parking when feasible and agreeable to the requesting agency
- In the Memo to SPRB and Lease Proposal Evaluation, DAS states there were no responses to the RFP (LP 18-01) and no suitable purchase options, but no reference is made to any alternative leased locations. Please clarify which, if any, alternative rental locations were considered.
 - As you mentioned there were no responses to the ad, there were no other leased sites considered due to high costs of relocation and lack of funds to do so. Moreover, Judicial wishes to stay, no money available within their budget or the State Facility Plan incur a relocation (including the move and tenant improvements at a new location).



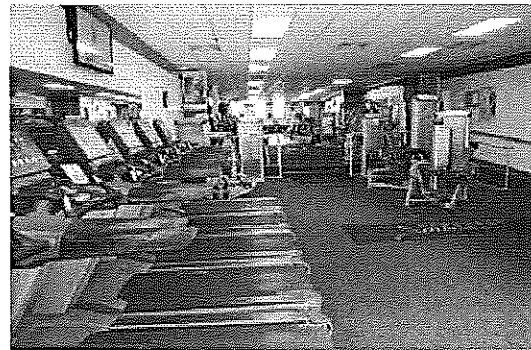
- 93 Lake Ave, Danbury – For sale at \$8,750,000 – Cap Rate 6.86% indicating NOI of \$600,250, or average of \$14.58/sf net.



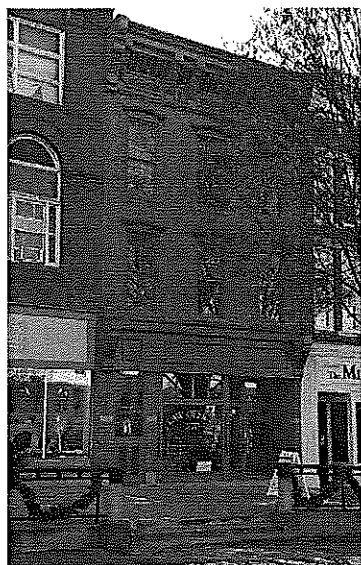
- 199-201 Main Street, Danbury (opposite Patriot Garage) – For sale at \$1,600,000 – \$82.05/sf (19,500 sf – plus additional basement level). Advertised as 10,000 sf leased, current NOI = \$117,000, Cap Rate 7.32% indicating average \$11.70/sf net rent.



- 153-157 Main Street, Danbury – Third-floor elevator access to 4,405 sf, advertised at \$9.00/sf on a gross plus utilities basis. Parking available behind building.



- 261 Main Street, Danbury – Street-level 3,954 sf, advertised at \$4,000/month, or \$12.14/sf – Lessor/Lessee expenses not noted.



- 270 Main Street, Danbury – 5,819 sf on three levels (no elevator), advertised for sale at \$639,000, or \$109.81/sf – extracted rent calculated at 8.0% cap rate = \$51,120 NOI, indicating average \$8.79/sf net rent.



Spaces	Lease Rate	Size (SF)
1A	\$10.00 SF/yr	1,402
2B	\$10.00 SF/yr	1,000
2C	\$10.00 SF/yr	1,644
2D	\$10.00 SF/yr	1,990
3B	\$10.00 SF/yr	1,033
3C	\$10.00 SF/yr	1,773
3D	\$10.00 SF/yr	1,990
4A	\$10.00 SF/yr	1,420
4B	\$10.00 SF/yr	1,000
4C	\$10.00 SF/yr	1,814
4D	\$10.00 SF/yr	1,950

- 457 North Main Street, Danbury – 11 suites available totaling 17,016 sf on four levels, advertised for rent at \$10.00/sf net rent.

RECOMMENDATION: Board approval is recommended for the following reasons:

1. In total, the lease costs include a nominal 6.4% increase, considered reasonable in that the Lessor is responsible for most fixed and operating expenses (taxes = \$0.68/sf) and the Lessee is responsible for utilities, custodial and trash removal.
2. There were no responses to advertised request for space (LP 18-01).
3. Agency is approved for 6,263 NUSF under current State Facility Plan for the Danbury Office.
4. Documentation is complete, including a current statement of financial interest.
5. Rental is within the range of other state agency rentals and comparables in Danbury, as follows:
 - 131 West Street, DCF, \$18.95/NUSF, net of heat, hot water, electric, a/c, janitorial, trash removal & light/tube replacement.
 - 2 Lee Mac Avenue, DMV, \$17.65/NUSF, net of heat, electric, hot wat, a/c, janitorial & security.
 - 190-196 Main Street, BOR, \$18.00/NUSF, net of heat, hot water, electric, a/c, janitorial, trash removal interior maintenance, & light/tube replacement.

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:57. The motion passed unanimously.

EXECUTIVE SESSION

PRB # 19-086-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 10:16. The motion passed unanimously.

OPEN SESSION

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

PRB # 18-224
Origin/Client: DCS/WCSU
Transaction/Contract Type AE / CA Services Contract
Project Number: CF-RD-303
Contract: CF-RD-303-CA
Consultant: AI Engineers, Inc.
Property: Danbury, Western CT ST University – Berkshire Hall
Project purpose: CA Services for Berkshire Hall Renovation
Item Purpose: New Consultant Contract

UPDATE - APRIL 22, 2019

At its meeting held on January 3, 2019, the State Properties Review Board voted to suspend this item for the following reason:

- Until further clarification is received regarding OPM Form 1.

DAS/DCS has provided the Board with SEEC File No. 2019-033 regarding the outcome of the SEEC investigation of the Respondent's (Rubina Islam) June 2017 \$100 contribution to the campaign of "Srinivasan for Governor." Paragraph 9 of the *Agreement Containing Consent Order* confirms that as the spouse of "principal state contractor" she is covered by the prohibitions contained in CGS §9-612. And, paragraph 12 of the Agreement affirms the contribution to a candidate committee for statewide office was a prohibited contribution in violation of CGS §9-612 (f)(1)(F)(v).

The SEEC, in paragraph 21 of the Agreement, concludes that "these mitigating circumstances concerning the violation by Respondent do not bar DAS pursuant to CGS §9-612 (f)(2)(c) from implementing or otherwise moving forward with their existing contract obligations with the Company and that DAS may exercise their discretion consistent with their authority under that section."

RECOMMENDATION: Staff recommends APPROVAL of the agreement with the Consultant in the amount of \$1,021,250.

PROPOSED AMOUNT: \$1,021,250

This this project involves a partial implementation of an approved 2016 Perkins +Will's Master Plan for WCSU. This project initiates the Berkshire Hall classroom building conversion into a new student center, with a new student-dining facility and a central commercial kitchen for the campus.

In this first phase of the project, WCSU requires pre-design, design and construction administration services for the project, including exterior site work including a new site retaining wall for loading dock access to the new kitchen. Preliminary plans require selective demolition replaced with a new 22,000 square foot facility with renovation to approximately 10,000 square feet of Berkshire Hall. The pre-design study will verify the programmatic requirements.

The anticipated scope of work for the building's conversion includes the removal of the basement, first and second floors of Berkshire's classroom wing, the locker room and fitness center wing, as well as investigate the re-use of the theater wing and retain the gymnasium footprint.

The overall construction and total project budget have been established at \$16,635,294 and \$27,002,335 respectively.

In December 2017 the Department of Construction Services (“DCS”) issued a Request for Qualifications for Construction Administrator (CA) Consultant Services related to the WCSU Berkshire Hall Conversion project. DCS elicited 15 responses to the advertisement of which all submittals were considered “responsive”. DCS then proceeded to review the submittals and after the completion of the internal review process, five firms were selected for short-listed interviews. These firms were as follows, AI Engineers, Inc. HAKS Engineers, P.C., KBE Building Corporation, Nosal Builders, Inc. and The Morganti Group, Inc. The State Selection Panel consisted of 5 members and interviewed each firm for evaluation purposes based upon an established weighted ranking system. At the conclusion of the process DCS identified AI Engineers, (“AIE”) as the most qualified firm.

This contract is for Construction Administrator (CA) Consultant Services for the completion of the WCSU Berkshire Hall Conversion project with the completion of a pre-design study and then the initiation of a schematic design phase through the construction document phase and the subsequent completion of construction. The overall compensation rate for this basic service is \$1,017,250 with an additional \$84,000 for special services, for a total fee of \$1,101,250. The special services detailed in the project scope include Mechanical, Electrical, Plumbing (MEP) Commissioning and Building Envelope Commissioning services. The contract includes an additional \$20,000 for CA Contingency. As such the total project fee is \$1,021,250.

WCSU confirmed funding is in place for preconstruction services totaling \$197,020 via CHEFA Bond Funding for pre-construction services.

AIE Fee for Basic Services (PRB #18-224)	<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>
Pre-Design Phase	\$18,280				
Schematic Design Phase	\$18,280				
Design Development Phase	\$39,460				
Contract Document Phase	\$98,120				
Bidding and Review Phase	\$20,880				
Construction Administration Phase	\$650,007				
Project Close Out	<u>\$72,223</u>				
TOTAL BASIC SERVICE FEE (#18-224) (A)	\$917,250			\$16,635,294	5.51%
SPECIAL SERVICES:					
MEP Commissioning		\$55,540			
Building Envelope Commissioning		\$24,460			
Contingency		\$20,000			
Mark Up on Commissioning		<u>\$4,000</u>			
TOTAL SPECIAL SERVICES(B)		\$104,000			
TOTAL FEE (PRB #18-224) (A) + (B)			\$1,021,250	\$16,635,294	6.14%

Staff asked DCS to clarify the following:

1. B1105 is not executed by DCS
 - DCS provided an executed Form B1105.

2. Please clarify the difference in the estimated CA Phase Services is estimated at 600 calendar days with the Consultant's proposal identifying 18 months, or 540 calendar days.
 - DCS provided an updated contract reflecting the 18-month construction schedule.
3. There are issues with OPM Form 1 and currently the Board is in the process of making policy for such issues.

RECOMMENDATION: Staff recommended suspension until Board Policy regarding OPM Form 1 is agreed upon and implemented by the Board.

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

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

PRB FILE #19-085 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE # 19-085. The motion passed unanimously.

PRB FILE #19-093 – Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB FILE # 19-093. The motion passed unanimously.

PRB FILE #19-086-A – Mr. Valengavich moved and Mr. Josephy seconded a motion to suspend PRB FILE # 19-086-A. The motion passed unanimously.

PRB FILE #18-224 – Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB FILE # 18-224. The motion passed unanimously.

9. NEXT MEETING – Special Meeting, Monday, April 29, 2019

The meeting adjourned.

APPROVED: _____


John Valengavich, Secretary

Date: _____

5/2/19