

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On May 2, 2019 450 Columbus Boulevard, Hartford, Connecticut

The State Properties Review Board held a Regular Meeting on May 2, 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

Terry Obey, DOT Director of Rights of Way (9:30-10:40AM)
Cameron Weimar, DoAG Director Farmland Preservation (10:42-11:15AM)
Kathleen Doherty – CT Farmland Trust (10:42-11:15AM)

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 25, 2019 and April 29, 2019.

Mr. Valengavich moved and Mr. Halpert seconded a motion to accept the minutes of the April 25, 2019 and April 29, 2019 meetings. The motion passed unanimously.

2. COMMUNICATIONS

Director Desai provided the Board with information from Patrick Carroll, Chief Court Administrator, requesting DAS Commissioner Geballe terminate a leased unit utilized by the Judicial Branch in Bristol.

3. REAL ESTATE- UNFINISHED BUSINESS

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session into Executive Session at 10:42AM. The motion passed unanimously. Cam Weimar, CT Department of Agriculture and Kathleen Doherty (CT Farmland Trust) were invited to attend the session.

EXECUTIVE SESSION

PRB #	19-029-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 11:15. The motion passed unanimously.

OPEN SESSION

4. REAL ESTATE – NEW BUSINESS

PRB #	19-088
Transaction/Contract Type:	RE – Voucher
Origin/Client:	DOT/DOT
Project Number:	044-154-002
Grantor:	D.E.W. Enterprises, LLC
Property:	Waterford, Avenue A (16)
Project Purpose:	Construction Easements (2) for access and equipment/materials storage
Item Purpose:	Voucher

DAMAGES: \$19,450.00

DOT PROJECT:

The Department of Transportation (Department) will conduct a Public Information Meeting concerning the proposed rehabilitation of Bridge No. 06026, Route 156 over Niantic River in the town of East Lyme.

The purpose of the project is to rehabilitate the bridge structure and its architectural, mechanical and electrical components; which include replacement of the wearing surface on the bridge deck, removal and replacement of bridge joints, repainting the superstructure, upgrades to the operator's control house and repairs to the vertical sheeting of the fender system around the main pier. Some of the mechanical and electrical system components are obsolete with replacement parts unavailable and need to be replaced. This project will provide a 25 to 30 year service life of the bridge. Right-of-way impacts associated with the proposed project are anticipated.

Construction is anticipated to begin in spring 2020 based on the availability of funding. The estimated construction cost for this project is approximately \$15 million. This project is anticipated to be undertaken with 80 percent Federal funds and 20 percent State funds (from DOT).

Subject Property Description, Before the Taking: The subject property consists of a 0.7333 acre lot with approximately 235 feet of frontage on the southerly side of Avenue A. The site is utilized for seasonal boat storage for approximately 32 vessels.

The Taking: DOT will acquire two Construction Easements as follows:

- Construction Easement No. 1 for the purpose of the storage of materials and/or equipment during the rehabilitation of Bridge No. 06026 Route 156 over the Niantic River – Easement Area = 3,797± sq.ft.
- Construction Easement No. 2 for the purpose of access (limited to travel only) during the rehabilitation of Bridge No. 06026 Route 156 over the Niantic River – Easement Area = 1,560± sq.ft.

The impact of the two easements is as follows:

1. Construction Easement No. 1: The loss of utilizing five vessel storage spaces

during the 2-year construction and the estimated average loss of revenue attributable to the spaces, estimated by the Appraiser at \$1,500/space to the owner.

Valuation: The DOT appraisal completed 12/13/18 by Kenneth N. Goldberg concluded the following:

Item	Calculation	Damages
Construction Easement #1	3,797± SF @ \$6.25/SF x 8% x 2 yrs	\$3,797.00
Construction Easement #2	1,560± SF @ \$6.25/SF x 5% x 2 yrs	\$975.00
Loss of Boat Storage Revenue (Present Value)		
Revenue for 5 spaces	X \$1,500 Avg. Space/Year	
		Year #1: \$7,500.00
		PV @ 5% - Year #2: \$7,142.86
		Total Damages \$19,414.86
		Rounded: \$19,450.00

Staff had requested the following clarifications from DOT regarding this proposed Release:

#1. The DOT Appraiser calculates the present value of loss in Boat Storage Revenue – over 2 years - based on the average of summer and winter storage rates (\$40/lf & \$20/lf) multiplied by the average 25’ vessel (per owner-provided back up for this calculation). Please clarify why the DOT Appraiser did not apply any market-based vacancy (or actual vacancy per owner) to the gross potential income, to arrive at an estimate of effective gross income over the two-year construction period. Please note: in DOT Project 044-154-001, the DOT appraiser estimated loss in revenue based on actual collected rents, not gross potential income.

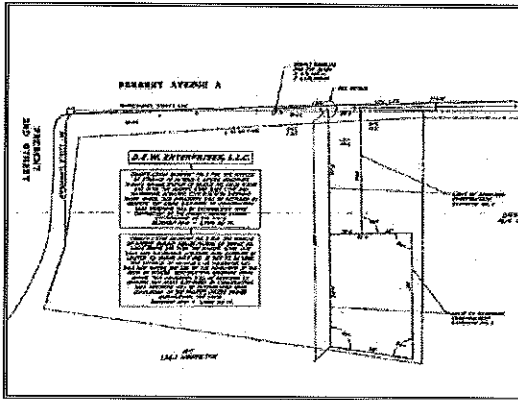
➤ the damages to the property are based on the actual spaces within the construction easement area, not to the entire storage lot; additionally, I’m not sure if it was noted that a present value adjustment was applied to the damages in year 2. Applying a market-based vacancy factor to this acquisition would be, in my opinion, counterproductive (i.e. we say we are applying a vacancy factor to the five (5) spaces & the owner says those five (5) spaces are always rented!); therefore, the property owner claims there is no vacancy for those spaces, and we end up in a protracted negotiation for what may be less than \$1,000 !!!

- If a 10% vacancy rate is applied, damages over the two-year construction period are reduced by \$1,462.
- If a 20% vacancy rate is applied, damages over the two-year construction period are reduced by \$2,929.

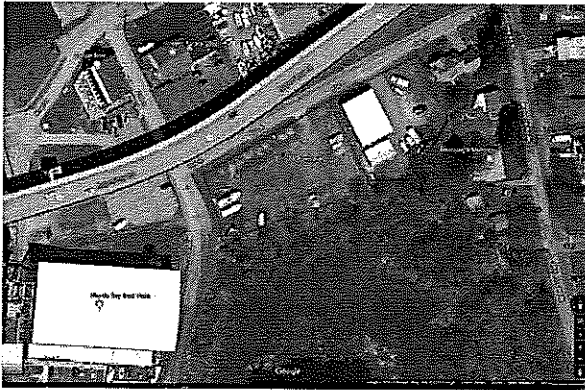
RECOMMENDATION: Board approval is recommended for the following reasons:

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 appraisal which indicated a range in value from \$5.68/SF to \$6.97/SF.

The Board noted in their discussion with Terry Obey, DOT Director of Rights of Way, that the Board recommended consistency in the development of the applicable approaches to value within DOT-prepared appraisals and appraisal reports.



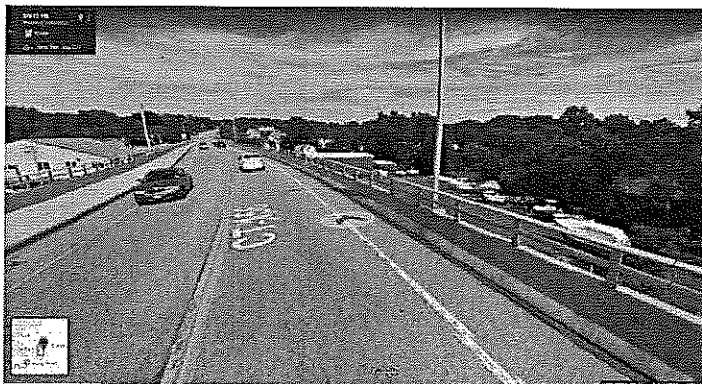
Waterford GIS - 2016 off season.



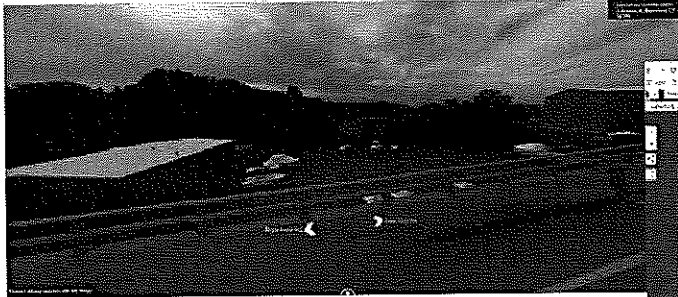
Google Maps – Date unknown – likely off season.



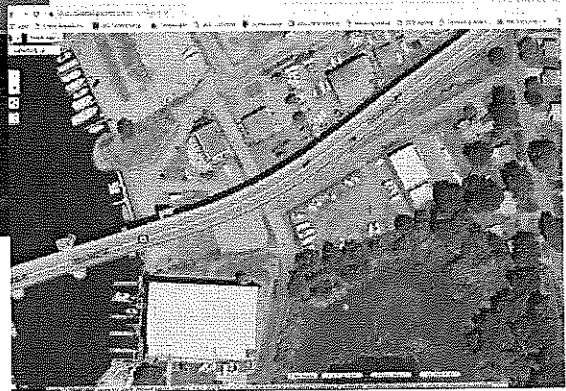
Google Street View – August 2017 - westerly view



Google Street View – August 2017 – easterly view



Bing Street View – June 2015 – southerly view



Google World Maps – date unknown – likely in season



NASA View – date unknown



Map Box – date unknown – likely off season



NASA View – date unknown – likely in season

PRB #	19-089
Transaction/Contract Type:	RE/ Assignment of Easements
Origin/Client:	DOT/DOT
Project Number:	15-264-52A
Grantee:	City of Bridgeport
Property:	Bridgeport, Pine & Carbon Streets
Project Purpose:	Assignment of Easements Acquired for reconstruction of Interstate 95
Item Purpose:	Quit Claim Deed

DOT acquired and is now releasing the following easements originally acquired in 2000 for the reconstruction of Interstate 95 (Project 15-264). There is no formal agreement between the State and the City directing DOT to convey the easements to the City. However, the easements are appurtenant to the

city street and should be transferred to the City. It is not in the best interests of the State to own an easement on a local roadway.

The project release areas two easements within an area totaling 606.44± sq.ft. of land. The release is for no consideration. DOT did not provide the cost of acquisition (via condemnation recorded 3-10-00 v.4304/053)

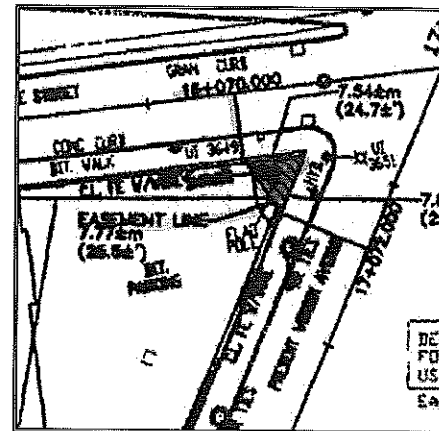
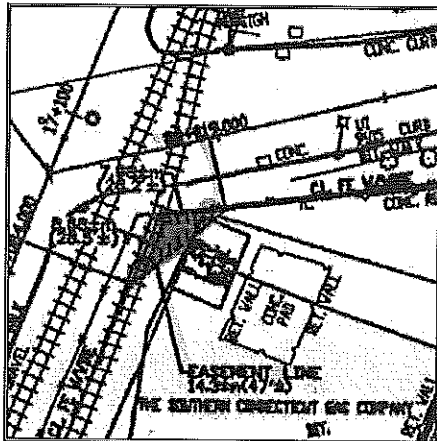
The Quit-Claim deed releases the following:

DESCRIPTION OF EASEMENT

Said premises consist of that certain full and perpetual defined easement for highway purposes under, over and across portions of land of The Southern Connecticut Gas Company, situated in the Town of Bridgeport, County of Fairfield and State of Connecticut, within two areas totaling 606.44 square feet, more or less, located opposite Station 20+019 right Baseline Present Carbon Street and 16+070 right Baseline Present Pine Street, as more particularly shown on Sheets 1 and 2 of 2 respectively, of the map hereinafter referred to.

RECOMMENDATION: Staff recommend approval of this Quit Claim Deed to assign the easements acquired by the State to the City of Bridgeport is recommended for the following reasons:

1. The conveyance complies with Section 13a-80 of the CGS governing the release of property and easements by the commissioner of transportation.
2. The Quit Claim Deed correctly references the Certificate of Condemnation where the State acquired the Easements.



PRB #	19-090
Transaction/Contract Type:	RE/ Assignment of Land
Origin/Client:	DOT/DOT
Project Number:	88-174-1B
Grantee:	City of New Britain
Property:	New Britain, Washington Street
Project Purpose:	Release of Land Acquired for Reconstruction of Beaver Street
Item Purpose:	Quit Claim Deed

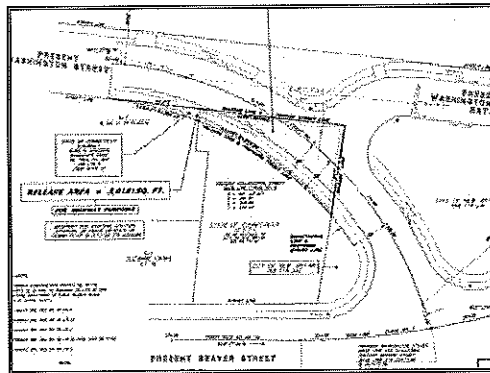
DOT acquired and is now releasing the following land which was originally acquired for the **Reconstruction of Beaver Street**. The project is complete and it is now necessary for the State to assign the easements to the City per Section 12 of Agreement No. 9.10-04(09). This is a release of land acquired for highway purposes only and there is no monetary consideration. The project release areas comprise four separate parcels comprising a total of 11,444± sq.ft. (0.263 sf) of land area. The four (4) original acquisitions for this project were acquired at a total cost of \$181,600.

The Quit-Claim deed releases the following:

STATE FILE NO.	FORMER OWNER	DEED TYPE/ VOLUME/PAGE	APPROX. ORIGINAL PURCH. PRICE/SZ.	DATE OF DEED
088-174-001	Spanish American Cultural Club, Inc.	Cert. of Condem. 1815/736-737	\$180,000.00 10,938± sq. ft.	3/29/2011
088-174-003	Alan H. Bergren	Warranty 1809/664	\$500.00 184± sq. ft.	12/14/2010
088-174-004	City of New Britain	Quit Claim 1814/564	\$600.00 237± sq. ft.	2/16/2011
088-174-005	CMHAND LLC	Warranty 1813/1058	\$500.00 95± sq. ft.	2/23/2010

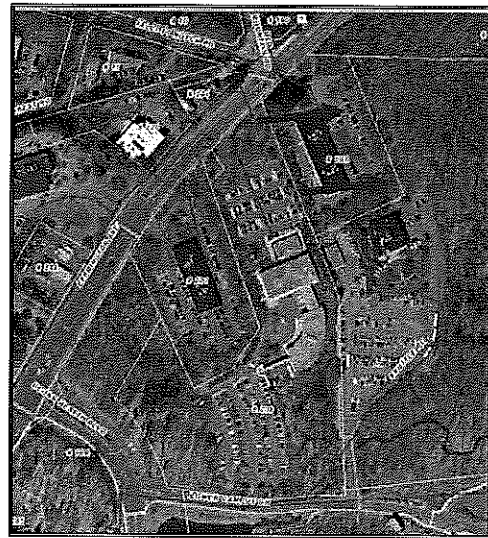
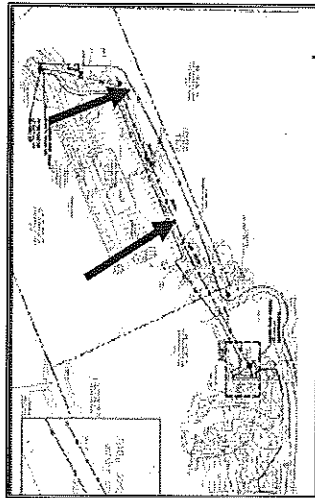
RECOMMENDATION: Staff recommend approval of this **Quit Claim Deed** to assign the easements acquired by the State to the Town of New Britain is recommended for the following reasons:

1. The conveyance complies with Section 13a-80 of the CGS governing the release of property and easements by the commissioner of transportation.
2. The descriptions in the Quit-Claim to release the real property are consistent with the description in the DOT survey.
3. Section 12 of the Agreement for Rights of Way Activities No. 9.10-04(09) between the State and City of New Britain, approved by the Attorney General on February 18, 2010 requires "That all properties and rights acquired by the State for the construction of said Project that are within the proposed highway lines of the reconstruction of Beaver Street will be released for highway purposes to the Municipality upon completion of construction."



PRB # 19-092
Transaction/Contract Type: RE – MOU
Origin/Client: DAS/UCONN
Property: Farmington, Shuttle Rd (11) & Farmington Ave (195)
Project Purpose: Installation of forced sewer main servicing OCME
Item Purpose: MOU

DAS Facilities has initiated a project to expand the capacity of its sewer main servicing the Office of Chief State Medical Examiner. In order to minimize the overall cost of installing the sewer main DAS has determined that crossing land to the north of OCME, over land under custody and control of UCONN, is the most efficient and cost effective route to the municipal sewer line in Farmington Avenue.



DAS and UCONN have entered into a Memorandum of Understanding (“MOU”) to allow DAS to install and maintain a sewer force main over/under/across the UCONN land. The MOU will commence upon approval of the State Properties Review Board and can only terminate should DAS determine the force main is no longer needed.

In the event UCONN transfers the property to a non-state entity, UCONN agrees that any transfer will be subject to a suitable utility easement under, over and across the property in favor of DAS solely for the maintenance and repair of the force main.

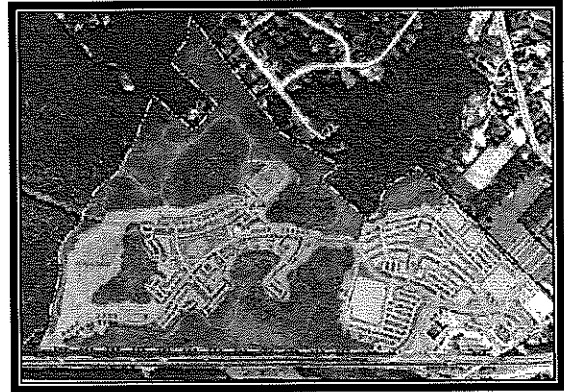
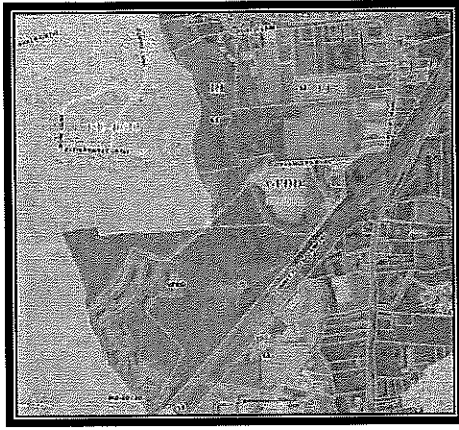
Staff had the following inquiry regarding this proposal:

- On the signature page, it states the authority of the Board to approve this MOU is 4b-22a(2). Please confirm if this is the correct reference as we are not acquiring an easement and the land is owned by the State.

RECOMMENDATION: Based on DAS’s request, it is recommended to return the file to DAS/Leasing.

PRB #	19-099
Transaction/Contract Type:	RE/ Release of Non-Access Highway Line in Exchange for 3.95 acres
Origin/Client:	DOT/DOT
Project Number:	104-63-5C,5D & 5E
Releasee/Grantee:	Gateway Development/East Lyme, LLC/State of Connecticut
Property:	East Lyme, Flanders Rd @ Exit 74 I-95
Project Purpose:	Release of BNAHL (246.86’) in Exchange for 3.95 acres
Item Purpose:	Release QC Deed – Acquisition Warranty Deed

Gateway Development/East Lyme, LLC, a joint venture between affiliates of KGI Properties of Providence, RI and The Simon Konover Company of West Hartford, Connecticut.



East Lyme Gateway Planned Development District

Gateway Commons, located adjacent to exit 74 off Interstate 95, is a planned 200-acre mixed-use development. The first phase of residential development, named The Sound at Gateway Commons, features 280 luxury apartments in ten (10) buildings and was completed in 2015. The luxury community includes a 6,000 square foot private clubhouse with fitness center, billiard room, media center, business center, and heated outdoor resort-style pool.

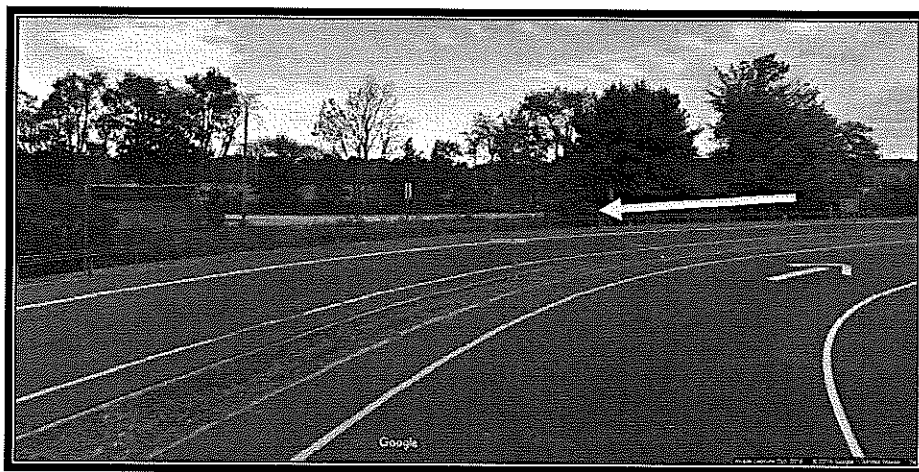
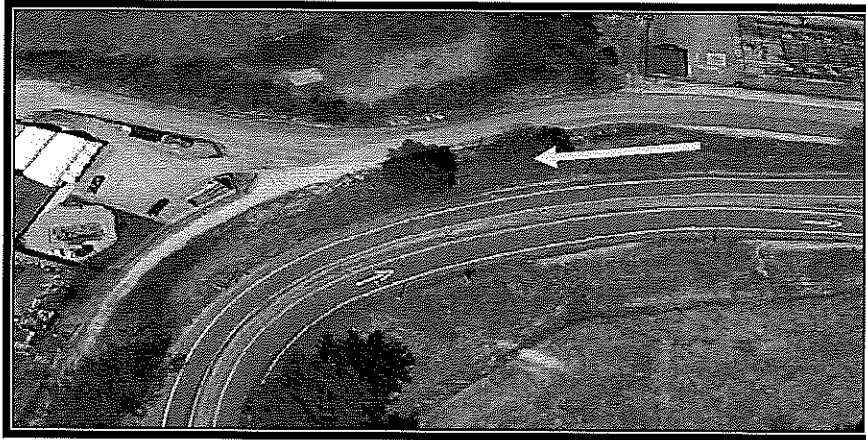
Proposed for the site is development of a 22.42± acre portion of the district with a 159,000± sf Costco retail with gasoline sales.

To achieve this phase of development of the site, the developer has requested the state provide a break in the non-access highway line (BNHAL - 246.86') on land located off Flanders Road, at the I-95 Exit 74 south-bound on/off ramps to modify the interchange to accommodate the "Gateway commons Offsite Roadway Improvements Project." This project coincides with the DOT's Project No. 44-156 for improvements in the vicinity of I-95 and Flanders Road including the improvement of several existing highway ramps and roads, reconstruction of a bridge (crossing RT 161), as well as constructing a new public road that will allow access for commercial development. The DOT's interchange plans call for a significantly larger footprint of land to accommodate the planned interchange.

East Lyme GIS Mapping



Release of non-access highway line (246.86')
 Exchange parcel (3.95 acres)
 Exchange parcel (0.62 acre)



DOT Appraiser Michael J. Corazzelli, appraised the proposed development site as of July 18, 2016 and established a 'before' value of \$1,536,000, and an 'after' value (after release of non-access) of \$5,829,000, indicating the BNAHL value at \$4,293,000.

DOT also retained the appraisal services of independent fee appraiser Steven MacCormack. Appraiser MacCormack appraised the proposed development site as of August 25, 2016 and established a 'before' value of \$325,000, and an 'after' value (after release of non-access) of \$6,325,000, indicating the BNAHL value at \$6,000,000.

In a letter dated November 8, 2016, DOT offered Gateway Development/East Lyme, LLC the BNAHL for a sale price of \$6,001,000.

During this process Gateway Development/East Lyme, LLC retained the services of Valbridge Property Advisors. Appraiser Lemp appraised the proposed development site (only 14.25 acres) as of December 24, 2016 and established a 'before' value of \$3,270,000 ("based on near term retail development, without any required off-site improvements to the access road or any state-owned lands), and an 'after' value (after release of non-access) of \$6,900,000, indicating the BNAHL value at \$3,630,000.

DOT estimates there are 51± acres of commercial land that would benefit from the BNAHL, not all of which is owned by Gateway, nor part of the immediate proposed development of the Costco retailer. The DOT's appraisals and the owner's appraisals, both value the BNAHL solely on this proposed development, which represents 45% of the land that would benefit from the BNAHL.

During negotiations, DOT was willing to accept the owner's estimate of value attributable to the BNAHL, and, as the specific development will be the only beneficiary to the BNAHL, agreed to the 45% allocation of the BNAHL Value, or $\$3,630,000 \times 45\% = \$1,633,500$.

As part of the future DOT Project No. 44-156, DOT required additional land to accommodate the larger foot print for the future expanded Exit 74 south-bound interchange. DOT accepted the owner's valuation of the 3.95± exchange parcel at \$830,000 (\$4.82/sf).

The final sale price of the BNAHL is then calculated by taking the BNAHL Value less the acquisition parcel, or $\$1,630,000 - \$830,000 = \$803,500$. Subsequent to this negotiation, DOT was successful in obtaining an additional 0.611 acre (26,651 sf) of land in fee simple from the owner. This is the existing access to the site from Route 161 to the development and is subject to a ROW in favor of the abutter (pool retailer).

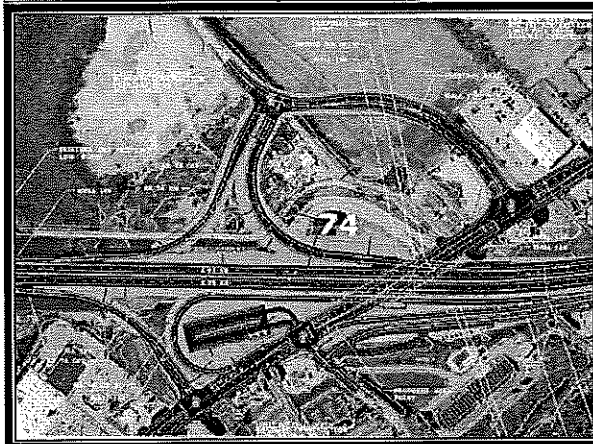
Staff inquired with DOT with respect to the calculation of the BNAHL relative to the development potential of the entire Gateway Commons master development, including the future retail and residential development potential. DOT assured Staff that this release of BNAHL is solely for the owner's development and any future development require DOT approvals.

Terrance Obey from DOT was present to provide an overview of the proposal. DOT informed that their approval for the release of a break in the non-access highway line (BNAHL) is for the sole benefit of the development of the parcel with a Costco retailer in exchange for other lands and compensation as presented by DOT. He also informed that there will be restrictions placed to access all other adjacent lands within Gateway Commons Planned Development District. This restriction will require property owners to seek and receive DOT approval for release of the BNAHL to access said land.

RECOMMENDATION: Staff recommends approval of this Release QC Deed & Acquisition Warranty Deeds for the following reasons:

1. The conveyance complies with Section 13a-80, and 13a-73(h) of the CGS governing the release/exchange and acquisition of property and easements by the Commissioner of Transportation.
2. The descriptions in the Deeds are consistent with the DOT maps.
3. The exchange facilitates the Town of East Lyme's economic development efforts.
4. The exchange facilitates the DOT's future Project No. 44-156 by acquiring land prior to development and saving scarce state and federal dollars.
5. Assurances provided by DOT about future DOT approvals for release of the BNAHL to access adjacent properties as noted above.

Initial Plan for DOT Project 44-156 – Exit 74 on I-95



5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

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

PRB FILE #19-029-A – Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB FILE # 19-029-A. The motion passed unanimously.

PRB FILE #19-088 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE # 19-088. The motion passed unanimously.

PRB FILE #19-089 – Mr. Valengavich moved and Mr. Josephy seconded a motion to approve PRB FILE # 19-089. The motion passed unanimously.

PRB FILE #19-090 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE # 19-090. The motion passed unanimously.

PRB FILE #19-092 – Mr. Halpert moved and Mr. Valengavich seconded a motion to return PRB FILE # 19-092. The motion passed unanimously.

PRB FILE #19-099 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE # 19-090. The motion passed unanimously.

9. NEXT MEETING – Special Meeting, Monday, May 6, 2019

The meeting adjourned.

APPROVED: John Valengavich Date: 5/9/19
John Valengavich, Secretary