

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On December 21, 2020 – remotely via telephone conference –

Pursuant to Governor Lamont's Executive Order No. 7B regarding suspension of In-Person Open Meeting requirements, the State Properties Review Board conducted its Regular Meeting at 9:30AM on December 21, 2020 remotely via telephone conference at (866)-692-4541, passcode 85607781.

Members Present:

Edwin S. Greenberg, Chairman
Bruce Josephy, Vice Chairman
John P. Valengavich, Secretary
Jack Halpert
Jeffrey Berger
William Cianci

Members Absent:

Staff Present:

Dimple Desai
Thomas Jerram

Guests Present

At Chairman Greenberg's request, Vice Chairman Josephy led the meeting.

Vice Chairman Josephy 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

Mr. Valengavich moved and Mr. Berger seconded a motion to approve the minutes of the December 17, 2020 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

<i>PRB #</i>	#20-223
<i>Transaction/Contract Type:</i>	RE – Administrative Settlement
<i>Origin/Client:</i>	DOT/DOT
<i>Project #:</i>	015-371-012
<i>Grantor:</i>	General Electric
<i>Property:</i>	Bridgeport, Boston Avenue (1285)
<i>Project Purpose:</i>	Seaview Avenue Corridor Improvements
<i>Item Purpose:</i>	Amended Administrative Settlement

**DAMAGES: Original \$217,500
Amended \$277,500**

At the July 16, 2020 SPRB Meeting, under PRB #20-118, the SPRB approved an Administrative Settlement for the Department of Transportation's (DOT) acquisition of land and easement in conjunction with the Seaview Avenue Corridor Improvements project. The Board approved damages in the amount of \$217,500 for the acquisition.

Under this Proposal (PRB #20-223) DOT is now seeking SPRB approval to amend the Administrative Settlement to increase the damages by \$60,000, to a total of \$277,500.

From the amended Administrative Settlement

This Amended Administrative Settlement concerns the rescinding of the required remediation costs for the proposed 86,879 +/- sq. ft. fee area pursuant to RCRA Corrective Action Program. The Department's Office of Environmental Compliance estimated the remediation cost to be \$60,000 which was deducted from the fair market value in the initial offer of just compensation.

Subsequently, Adam Fox, P.E., of the Department's Environmental Compliance Unit confirmed in an e-mail that the remediation has been completed and the deduction is no longer warranted, pursuant to the attached August 2020 compliance verification report prepared by WSP. As stated on page 31 of the report (37 of the PDF), "All actions to remediate pollution caused by releases at the parcel have been taken in accordance with the RCRA Section 22a-133k-1 through 3." This report has also been reviewed and approved by Triton Environmental.

Ms. Whiteman was aware of the determination and refused to execute the conveyance documents until the Department acknowledged GE was due the compensation deducted from the initial appraisal evaluation. It was determined by the Department that an amendment to the previously approved Administrative Settlement to re-incorporate the \$60,000 remediation costs is justified.

On November 23, 2020, Ms. Whiteman and the Department executed an Amended Letter of Understanding which revised the settlement amount in the first paragraph and added language regarding a Right of Entry. The Department will not take title to the property until documentation has been filed with CTDEEP which extinguishes the remediation requirements under the RCRA. Once verified, the acquisition will be finalized and filed on the land records.

RECOMMENDATION: Staff recommend approval of this amended Administrative Settlement increasing the damages by \$60,000 to \$277,500 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 acquisition value is within the range of values within the independent appraisal report completed by Steven E. MacCormack.
3. The required remediation was completed prior to the state's acquisition and thus the \$60,000 previously reduced from the appraised damages should be awarded to the Grantor.

From PRB #20-118

DAMAGES: \$217,500.00

PROJECT: The City of Bridgeport, with technical and financial assistance from the Connecticut Department of Transportation (CTDOT) and the Federal Highway Administration (FHWA), proposes reconstruction, streetscape enhancements, and a new transportation corridor centered upon Seaview Avenue in Bridgeport. The project will reconstruct and provide streetscape enhancements on Seaview

Avenue and construct a new arterial roadway which will provide access to the planned Lake Success Business Park (LSBP), as well as the new Harding High School.

Improvements on Seaview Avenue from Barnum Avenue to US Route 1 are anticipated to include pavement rehabilitation, replacement and upgrade of traffic signal equipment, new sidewalks, streetscape enhancements, transit service features, and relocation of above ground utilities to below grade. The intersection at US Route 1 will be realigned to accommodate a "normalized" four-way intersection with Seaview Avenue and Bond Street, thus eliminating the current offset alignment of the north/south legs.

SITE DESCRIPTION: The subject property consists of a 59.304 acre (2,583,279 sf) with 1,355 feet of frontage on the north side of Boston Ave, 738 feet of frontage on the west side of Bond Street and 787 feet of frontage on the east side of Asylum St. The site is level at grade sloping downward to the center of the site to a stream. The property is located in the IL Industrial-Light Zone and conforms to zoning. About 20% of the site is encumbered by inland-wetland soils and approximately 40% of the site is located within a flood zone. The site is improved with a perimeter chain link fence. The DOT has stated there are known environmental issues with this site.



The Appraiser opined the highest and best use of the property is as follows:

CONCLUSION

In arriving at our conclusion of highest and best use, I considered all of the factors noted above. Based on this analysis, it is my opinion that the highest and best use of the subject property is for commercial development such as automotive sales and service, vehicle repair and professional and business office uses.

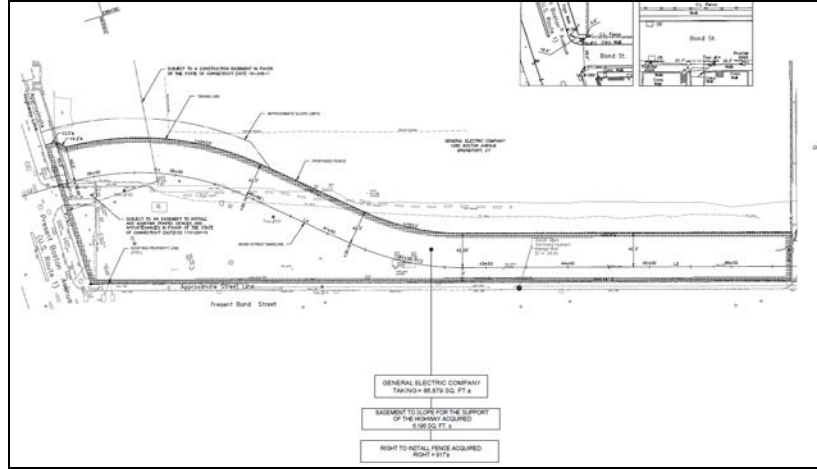
Before Valuation: An appraisal was done by independent Appraiser Steven E. MacCormack, as of 8/02/2019.

Land Valuation: Based on the sales comparison approach, the Appraiser considered three commercially-zoned comparable sales, one in Milford and two in abutting Stratford, and concluded that the fair market value of the entire property (land only) is \$105,000/acre. The value of the land, before the taking, is then 59.30393 acre x \$100,000/acre = \$5,930,393, rounded to \$5,930,000.

The Appraiser included the value of the site improvements in the land value.

DOT requires acquiring the following:

- A partial take in fee-simple – 86,879± sf
- An easement to slope for the support of the highway acquired over an area of 6,196± feet
- A right to install 917± lf of fencing.



The following is a summary of the effects of the taking:

1. A loss of a total of 86,879± sq.ft. of land area
2. The slope easement will limit utility of that land area.

After Valuation:

Land Valuation: The Appraisers utilized the same land sales from the Before valuation and concluded that the fair market value of the remaining property (land only) is \$100,000/acre.

The After Land Valuation is reduced from \$5,930,000 rounded (59.30393 acres X \$100,000/acre = \$5,930,393) in the Before to \$5,731,000 rounded (57.30946 acres X \$100,000/acre = \$5,730,946) in the After for a loss of \$199,000 (\$5,930,000 - \$5,731,000) plus a \$8,000 (rounded) additional loss from the 6,196 SF easement to slope @ \$100,000/acre X 0.14224 acres X 55% for a total loss of \$207,000 (\$199,000 + \$8,000) or a Total After Value of \$5,723,000. (See Chart Next Page)

Item	Calculation	Damage
Remaining Land	57.30946 ac x \$100,000/ac	\$5,730,946
Easement to Slope	6,196± SF @ \$100,000/ac x 55%	-\$7,823
	Total:	\$5,723,123
	Rounded	\$5,723,000

Total Direct Damages are calculated as follows:

Direct Damages	
Value Before:	\$5,930,000
Less Value After:	<u>\$5,723,000</u>
Total Direct Damages =	\$207,000

From the Administrative Settlement

Subsequent to the completion of the appraisal and review, it was determined that the State will be required to remediate the proposed 86,879 +/- sq. ft. fee area that the owner would otherwise be responsible for pursuant to RCRA Corrective Action Program. The Department's Office of Environmental Compliance estimated the remediation cost to be \$60,000.00, which would be incurred as part of construction. On December 23, 2019, Supervising Property Agent Anthony J. DeLucco established just compensation of \$147,000.00 and Transportation Principal Property Agent Amy N. Martinez registered the value.

The Department's offer letter in the amount of \$147,000.00 was tendered on January 2, 2020 to Senior Counsel, Karen B. Simons. On February 14, 2020, an e-mail was received from Marian Whiteman, GE Executive Counsel-Brownfields requesting an opportunity to discuss the proposed acquisition.

Marian Whiteman rejected the Department's offer claiming an additional \$403,323.00 in damages. She maintained that the \$2.30 per square foot value was not representative of the actual fair market value. Ms. Whiteman noted a recent recorded sale on December 19, 2019 of a sub divided parcel in the northwest section of the subject property, which was sold to A & P Coat, Apron & Linen Supply LLC for \$1,350,000.00. The parcel was 6.14 +/- acres and amounted to \$5.05 per square foot. The sale was recorded on the land records in BK: 10158 PG: 177 INST: 00029425 and confirmed by staff appraiser Matt Malia. While the subject is significantly larger than the referenced sale, it should be noted that 40% of the parcel is within a Flood Zone AE.

She also noted that the slope easement will essentially act as a take and therefore should be valued as if it is a fee taking. The crest of the proposed slope is 10 foot above current flat land and extends 20 feet west, essentially consuming useable land.

Continued negotiations concluded with a compromise in the total amount of \$217,500.00 as full and final payment for the property rights being sought, and all damages resulting from the project. The increased amount of \$70,500.00 is considered equitable given the direct damages to the subject property. This represents an increase of \$0.70 per square foot (\$2.30 to \$3.00), which falls within the appraiser's range of values, and an increase in percentage applied to the slope easement.

• Fee Area: 86,879 +/- sq. ft. x \$3.00 sq. ft.:	\$260,637.00
• Slope Easement Area: 6,196 +/- sq. ft. x \$3.00 x 90% :	\$ 16,729.20
• <u>Remediation deduction:</u>	<u>\$ 60,000.00</u>
Total:	\$217,500.00 rd.

It is submitted that this Administrative Settlement in the amount of \$217,500.00 is fair and equitable, within the range of fair market value, and will preclude litigation and the possibility of an unfavorable judgement.

RECOMMENDATION: Staff recommend approval of this Administrative Settlement in the amount of \$217,500 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 acquisition value is within the range of values within the independent appraisal report completed by Steven E. MacCormack.

PRB # #20-236
Transaction/Contract Type: RE – Voucher
Origin/Client: DOT/DOT
Project #: 107-179-002
Grantor: The Parish of St. Peter's Episcopal Church
Property: Oxford, Oxford Rd (421)
Project Purpose: Rehabilitation of Bridge No. 04913 Dutton Rd over Little River
Item Purpose: Voucher

DAMAGES: \$24,000

DOT PROJECT:

Bridge #04913 provides the sole means of access to a residential neighborhood and requires replacement after an engineering evaluation deemed the 1970's bridge to be structurally deficient. The bridge's narrowness, ongoing corrosion of the steel girders (having a poor condition rating), exposed abutment footings and substandard railings lack the ability to restrain vehicular impacts, among others.



Subject Property Description, Before the Taking: The subject parcel contains 23,958± square feet (0.55± acre), corner lot with 145± frontage on the south side of Oxford Road (Route 67) and 120' of frontage on Dutton Road. The property is bordered by Little River. The site is improved with a 4,420 sq. ft. church campus constructed in 1834, and expanded in 1962 with a parish hall and commercial kitchen. The property is located in the RESA District and is non-conforming regarding site requirements. This zone permits resident and light commercial uses (with approval).



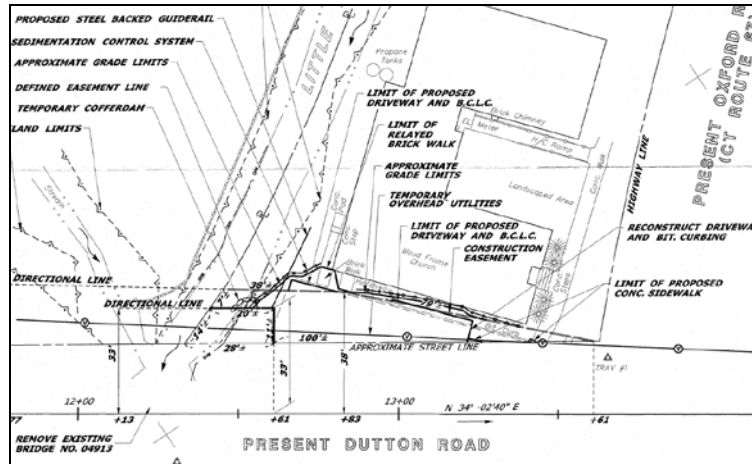
Before Valuation: An appraisal report prepared by DOT Appraiser Stephen C. Miller as of September 21, 2020. Improvements are not impacted by the taking are assigned an "X" value.

Land Valuation: Based on the sales comparison approach, the appraiser analyzed three sales of commercially-zoned land in Monroe, Southbury and Oxford (2018-2019) and one residentially-zoned sale in Oxford (2019) and concluded that the fair market value of the subject property was $\$4.50/\text{sf} \times 23,958 = \$107,811$, rounded to $\$108,000$.

Building Valuation: Based on the sales comparison approach, the appraiser analyzed three sales of converted residential properties in Oxford (2) and Monroe (2018-2019) and one sale of a former church in Newtown (2018) and concluded that the fair market value of the subject property was $\$102/\text{sq. ft.}$, or $\$102 \times 4,420 = \$450,840$, rounded to $\$451,000$.

The Taking: DOT will acquire the following:

- A Defined Easement for Highway Purposes acquired over an area of 262± sq.ft.;
- A Temporary Construction Easement acquired over an area of 1,071± sq.ft.;
- A Right to Install Steel Backed Guiderail acquired over an area of 28± LF;
- A Right to Grade, Install Bituminous Concrete Lip Curbing, Concrete Sidewalk, to Relay Brick Walk, and Construct Driveway acquired over an area of 119± sq.ft.; and
- Right to Install Sedimentation Control System acquired over an area of 73± LF.



After Valuation:

Land Valuation: Based on the sales comparison approach, the appraiser analyzed the same four sales of zoned land and concluded that the fair market value of the subject property was \$4.50/sf, calculated as follows:

Item	Calculation	Value
Fee Simple	23,696 sf x \$4.50/sf	\$106,632
Defined Easement Area	262 sf x \$4.50/sf x 5%	\$59
	Total	\$106,691
	Rounded	\$106,500

Building Valuation: Based on the sales comparison approach, the appraiser analyzed the same four sales) and concluded that the fair market value of the subject property was \$102/sq.ft, calculated as follows:

Item	Calculation	Value
Fee Simple	4,420 sf x \$102/sf	\$450,840
Less Affected Land Area (B/A)	Lump Sum	-\$1,500
Less Affected Site Imp	Contributory Value	-\$1,500
	Total	\$447,840
	Rounded	\$448,000

Affected site improvements include paved parking, curbing, rear brick walk relaying and established vegetation within the easement area.

Calculation of Permanent Damages

Item	Value
Before Valuation	\$451,000

After Valuation	\$448,000
<i>Permanent Damages</i>	\$3,000

Calculation of Temporary Damages

Construction Easement Area	1,071 sf x \$4.50/sf x 12% x 1 year	\$578
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Calculation of Temporary Severance

From the Appraisal:

Temporary severance issues caused by the temporary construction easement will result in a temporary loss of parking lot size, a temporary loss of parking lot utility, and a temporary nuisance in terms of proximity of construction and the negative visual impact of construction equipment, materials, etc. The appraiser has estimated this severance “As If Permanent” at **35%** of the subject’s Market Value. A typical holding period for a commercial property such as the subject can range from 5 to 8 years. The appraiser has utilized a holding period of 8 years. Given the projected constructed period is 1 year (12 months), the rate of impact to the holding period is therefore considered to be 1 year divided by 8 years, or **13% (rounded)**.

The DOT Appraiser calculated temporary severance as follows:

- Severance if permanent: \$448,000 (total property value) x 35% = \$156,800
- Encumbrance will exist for 1 year of typical 8 year holding period
- Temporary Severance: \$156,800 x 13% (1/8) = \$20,384

Total damages are then Permanent Damages plus Temporary Damages plus Temporary Severance Damages, \$3,000 + \$578 + \$20,384 = \$23,962, rounded to \$24,000.

RECOMMENDATION: Board approval of damages in the amount of \$24,000 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 acquisition amount is supported by the DOT appraisal.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

8. VOTES ON PRB FILE:

PRB FILE #20-223 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #20-223. The motion passed unanimously.

PRB FILE #20-236 – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB FILE #20-236. The motion passed unanimously.

9. NEXT MEETING – Thursday, December 24, 2020.

The meeting adjourned.

APPROVED: _____ **Date:** _____
 John Valengavich, Secretary