

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On September 27, 2021 – 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 September 27, 2021 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

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 September 23, 2021 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

| | |
|-----------------------------------|---|
| <i>PRB #</i> | 21-139 |
| <i>Transaction/Contract Type:</i> | RE – Voucher |
| <i>Origin/Client:</i> | DOT/DOT |
| <i>Project Number:</i> | 162-155-004 |
| <i>Grantee:</i> | Rowley Street, LLC |
| <i>Property:</i> | Winsted, Rowley Street (19) |
| <i>Project Purpose:</i> | Replacement of Bridge No. 00617 SR 800 Over Mad River |
| <i>Item Purpose:</i> | Voucher |

DAMAGES: \$30,000

DOT PROJECT: The purpose of the project is to replace Bridge No. 00617, which was originally constructed in 1928. The project is being initiated to address the poor condition of the existing bridge. Bridge No. 00617 carries Rowley Street with one lane of traffic in each direction, and the 2012 Estimated Average Daily Traffic is approximately 4,200 vehicles daily. A full structure replacement is recommended.

Anticipated construction includes:

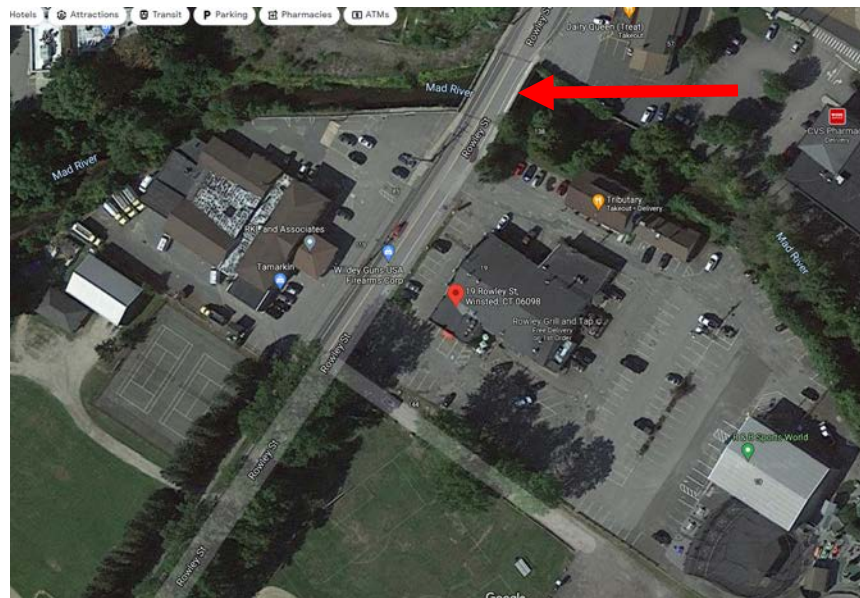
- Temporarily relocate underground and aerial utilities;
- Install temporary pedestrian bridge;
- Close road to vehicular and pedestrian traffic;
- Remove existing bridge; both superstructure and substructure;
- Install abutment stems on pile caps;
- Install steel girders, concrete deck, sidewalks and parapets;
- The bridge will be widened approximately 5.5 FT to the East to extend the existing left and right turning lanes North of the bridge; and
- Place pavement and traffic markings.

There are right-of-way (ROW) impacts associated with the proposed improvements. Temporary easements will be required at all corners of the bridge to allow for the construction access. Permanent ROW may be needed to the east of the structure, as it is anticipated the new structure will be widened to better accommodate the traffic turning onto Main Street.

Construction is anticipated to begin in spring 2022 based on the availability of funding and receipt of permits. The estimated construction cost for this project is approximately \$4.9 million. This project is anticipated to be undertaken with 80 percent Federal funds and 20 percent State funds.

SITE DESCRIPTION: The subject property consists of a rectangular-shaped 55,770± square foot (1.2803± acre) parcel of land with a total of approximately 168'± frontage on the easterly side of Rowley Street (Rt 800). The site is generally level at grade. Site improvements include 20,000 square feet of asphalt-paved parking area. The property is improved with a one-story multi-tenant commercial building containing 11,625 square feet of, constructed in 1925. The property is located in the TG Town Gateway zone and conforms to zoning requirements.

The Appraiser opines the highest and best use of the site as vacant would be for commercial development in conformance with current zoning requirements to develop the site and as-improved for continuation of its existing commercial use.





BEFORE VALUATION: The DOT appraisal was completed April 6, 2021 by independent Appraiser Steven E. MacCormack.

Land Valuation: Based on the sales comparison approach, the Appraiser considered three sales (land extraction method) in Winsted (2020-2021) of similarly-zoned land with similar highest and best use and concluded that the fair market value of the subject land was \$415,000, or \$325,000/acre (\$7.46/sf) (rounded).

Site improvements include paved parking areas, a business sign, minimal landscaping and building mounted lights for a total value of about \$50,000 for site improvements.

The town assessment records indicate the value of the land is \$90,156/acre (\$2.07/sf - 100% value) based on a 2017 town-wide revaluation.

Building Valuation

Sales Comparison Approach: The appraiser analyzed three sales of commercial buildings in Winsted and Torrington (2018-2020) and concluded that the fair market value of the subject property was \$85/sf x 11,625 sf = \$988,125, rounded to \$990,000.

| SUMMARY OF PROPERTY SALES | | | | | |
|--|--|-----------|------------|-----------------|----------------------|
| Sale | Location | Sale Date | Sale Price | Bldg. Area (SF) | Sale Price / Sq. Ft. |
| 1 | 861 New Harwinton Road Torrington, CT | 6/10/20 | \$600,000 | 2,580 | \$232.56 |
| 2 | 237 South Main Street Torrington, CT | 1/21/20 | \$475,000 | 5,470 | \$86.84 |
| 3 | 266 Main Street Winsted, CT | 9/14/18 | \$350,000 | 8,582 | \$40.78 |
| Subject: 19 Rowley Street Winsted, CT | | | | 11,625 | |

Income Capitalization Approach: The Appraiser analyzed four listings of available properties in Winsted and neighboring Barkhamsted and concluded that the fair market rental value of the subject property was \$13/sf on a gross plus utilities basis.

| SUMMARY OF RESTAURANT / RETAIL / OFFICE RENTALS | | | | | | |
|---|--|--------------------------|---------------------|---------------|---------------|--|
| # | Address Tenant/User | Leased Area (Sq. Ft.) | Rent/ Sq. Ft. | Lease Date | Lease Term | Lease Conditions/Comments |
| 1 | 175 Main Street Winsted, CT | 1,760 | \$10.00 | Available | 1-5 yrs. | Mod. Gross; Retail space in a mixed use building built in 1900 in average condition. |
| 2 | 380 New Hartford Road Barkhamsted, CT | 1,300- 17,084 | \$15.00 | Available | 1-5 yrs. | Mod. Gross; 116,640 SF Retail Office Plaza built in 1971 in average condition. |
| 3 | 200 New Hartford Road Winsted, CT | 834- 36,386 | \$12.00- \$19.50 | Available | 1-5 yrs. | Mod. Gross; 115,425 SF Retail Office Plaza built in 1989 in good condition. |
| 4 | 45 Willow Street Winsted, CT | 9,438 | \$12.00 | Available | 1-5 yrs. | Mod. Gross; Free standing Office/Retail/Warehouse building built in 1950 in average condition. |

After fully supporting market-based vacancy, operating expenses and capitalization rate, the Appraiser estimated Net Operating Income and market value as follows:

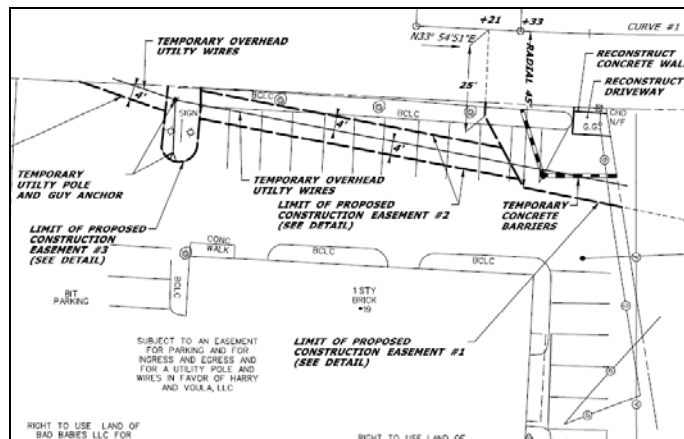
| INCOME APPROACH SUMMARY | | |
|--|-----------|--------------------|
| 19 Rowley Street, Winsted, CT | | |
| Income | | |
| Gross Building Area (GBA) | 11,625 SF | |
| Gross Leasable Area (GLA) | 11,625 SF | |
| Potential Gross Income @ \$13.00/SF | | \$ 151,125 |
| Less: Vacancy and Coll. Loss at 5% | | (\$ 7,556) |
| Effective Gross Income | | \$ 143,569 |
| Expenses | | |
| Real Estate Taxes | \$12,821 | |
| Insurance | \$10,000 | |
| Ground Maintenance & Building Repairs | \$12,000 | |
| Public Water & Public Sewer | \$6,000 | |
| Common Electricity (Exterior Lighting) | \$4,800 | |
| Reserves for Replacements (5% of EGI) | \$7,178 | |
| Management (2% of EGI) | \$2,871 | |
| Total Expenses | | (\$ 55,670) |
| Net Operating Income | | \$ 87,899 |
| Overall Capitalization Rate | | 0.0700 |
| Stabilized Value | | \$1,255,700 |
| Less Commissions | | (\$ 0) |
| Less Rent Loss | | (\$ 0) |
| Income Approach Value Conclusion | | \$1,255,700 |
| Value Conclusion (rounded) | | \$1,260,000 |
| Value Per SF of GBA | | \$108.39/SF |

Reconciliation and Value Conclusion - Before

| Approach | Opinion of Market Value |
|---|-------------------------|
| Sales Comparison Approach - Land | \$415,000 |
| Income Capitalization Approach – Building | \$1,260,000 |
| Sales Comparison Approach Building | \$990,000 |
| Conclusion of Market Value | \$1,125,000 |

The Taking: DOT will acquire the following:

1. A Construction Easement #1 for the purpose of installing temporary overhead wires, and temporary concrete barriers, staging of crane and materials, driveway and concrete walkway reconstruction and access acquired over an area of 832+/- square feet;
2. A Construction Easement #2 for the purpose of installing temporary overhead wires acquired over an area of 821+/- square feet; and
3. A Construction Easement #3 for the purpose of installing temporary overhead wires, temporary utility pole and guy anchor acquired over an area of 207+/- square feet.



The taking will cause a temporary loss of use of the construction easement areas including about 2 parking spaces. Please note, it is the appraiser's opinion that the temporary loss of the 2 parking spaces will not adversely affect the value or use of the subject's building. The duration of construction easement is about 1 year. In addition, the road access over the bridge connecting the subject property to Main Street aka US-44 / Route 183 will be blocked during the temporary construction causing a temporary overall decrease in property value.

AFTER VALUATION:

The "After" valuation of the subject property is subject to the following Extraordinary Assumptions and Hypothetical Conditions:

Extraordinary Assumptions:

This appraisal assumes the extraordinary assumption that the sign located next to the temporary easement area will not be disturb; however, if the sign is disturb, I reserve the right to adjust my value.

Hypothetical Conditions

The methodology used in this report is a standard State format in the form of a before and after valuation appraisal used for eminent domain purposes. This appraisal considers that there is a willing seller in an acquisition by eminent domain and has disregarded any effect on the market value brought on by the States project. I have based my appraisal report on the hypothetical condition that the proposed road project will be completed as currently proposed, in the Department of Transportation construction plans, on the day after the "as of" date. No other conditions are necessary to arrive at a value.

After Land Valuation: Based on the sales comparison approach, the Appraiser considered the same three sales in Winsted and concluded that the fair market value of the subject land was unchanged at \$415,000, or \$325,000/acre (\$7.46/sf) (rounded).

After Building Valuation

After Sales Comparison Approach: The appraiser analyzed the same three sales of commercial buildings in Winsted and Torrington (2018-2020) and concluded that the fair market value of the subject property was unchanged at \$85/sf x 11,625 sf = \$988,125, rounded to \$990,000.

After Income Capitalization Approach: The Appraiser analyzed the same four listings of available properties in Winsted and neighboring Barkhamsted and concluded that the fair market rental value of the subject property was \$13/sf on a gross plus utilities basis.

After fully supporting market-based vacancy, operating expenses and capitalization rate, the Appraiser's estimate of market value was unchanged at \$1,260,000.

Reconciliation and Value Conclusion - After

| Approach | Opinion of Market Value |
|---|-------------------------|
| Sales Comparison Approach - Land | \$415,000 |
| Income Capitalization Approach – Building | \$1,260,000 |
| Sales Comparison Approach Building | \$990,000 |
| Conclusion of Market Value | \$1,125,000 |

Calculation of Permanent Damages

| Item | Value |
|-------------------|-------------|
| Before Valuation | \$1,125,000 |
| After Valuation | \$1,125,000 |
| Permanent Damages | \$0 |

Calculation of Temporary Damages

The Appraiser then accounted for Temporary Damages as follows:

The following temporary rights include a temporary 832+/- SF construction easement for the purpose of installing temporary overhead wires, and temporary concrete barriers, staging of crane and materials, driveway and concrete walkway reconstruction, and access, temporary 821+/- SF construction easement for the purpose of installing temporary overhead wires and a temporary 207+/- SF construction easement for the purpose of installing temporary overhead wires, temporary utility pole and guy anchor during the construction for the Replacement of Bridge No. 00617 S.R. 800 Over Mad River which will encumber the subject for a period of 1 year. The damages for the use of the land are calculated below using a lease rate of 10% per year (based on a 10-year holding period) as previously valued at \$325,000 per acre. Additional damages are due since the road access over the bridge connecting the subject property to Main Street (US-44 / Route 183) will be blocked during the temporary construction which will limit the pedestrian walking traffic and require about a mile detour for the Main Street traffic to access the subject causing a temporary overall decrease in property value. In addition, other damages are due since the abutter's main entrance driveway will be temporarily blocked requiring increased use of the retail plaza's south driveway for the abutter's traffic. It is the appraiser's opinion that these combined issues would cause an overall 25% decrease in the subject's property value if permanent; however, at the projected one year temporary loss, we have used a 10% ratio as shown below.

| | |
|--|-----------------------|
| Easement of 832+/- SF (0.0190001 acres) X \$325,000/acre = \$6,175 X 10% X 1 year = | \$ 618 |
| Easement of 821+/- SF (0.0188476 acres) X \$325,000/acre = \$6,125 X 10% X 1 year = | \$ 613 |
| Easement of 207+/- SF (0.0047521 acres) X \$325,000/acre = \$1,544 X 10% X 1 year = | \$ 154 |
| Subject's Market Value of \$1,125,000 X 25% Temporary Severance = \$281,250 X 10% X 1 year = | <u>\$28,125</u> |
| Total Temporary Damages: | \$30,000 (rounded) |

Total damages are then Permanent Damages plus Temporary Damages, or \$0 + \$30,000 = \$30,000.

Staff inquired with DOT regarding the following issue:

1. Please clarify if the independent Appraiser's 25% estimate of Temporary Severance should be modified based on Point #26 in the Appraisal (non-compensable items) and the Appraiser's narrative:

“Additional damages are due since the road access over the bridge connecting the subject property to Main Street (US-44 / Route 183) will be blocked during the temporary construction which will limit the pedestrian walking traffic and require about a mile detour for the Main Street traffic to access the subject causing a temporary overall decrease in property value.”

The following is a list of items considered to be non-compensable and are excluded as elements of damage in appraising for eminent domain in the State of Connecticut.

- Increased traffic
- Diversion of traffic
- Changed use of a Public Way
- Exercise of police powers
- Circuitry of travel
- Loss in business (UASFLA – 2016, Sect. 4.6.2.3, p.159)

DOT-Appraiser Response: Please kindly see below information received from DOT's fee appraiser Steven MacCormack:

“The 25% estimate of Temporary Severance should not be modified based on Point #26 (non-compensable items) because it is my opinion that the temporary road block over the bridge is not simply a "diversion of traffic". In the subject's case, the temporary construction causes a "block" in traffic. It cuts off access to the downtown and temporarily changes the demographics of the subject as if now it is in a more remote location in town. In addition, the subject's site also suffers the temporary loss of about 44% of its lined parking spaces.”

Staff Response: OK

RECOMMENDATION: Board approval of damages in the amount of \$30,000 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 value is supported by the independent appraisal report.

PRB # 21-150
Transaction/Contract Type: RE – Voucher
Origin/Client: DOT/DOT
Project Number: 018-135-007A
Grantee: 201 Federal Road Associates, LLC
Property: Brookfield, Federal Rd (201)
Project Purpose: Safety Improvements along Route 202
Item Purpose: Voucher

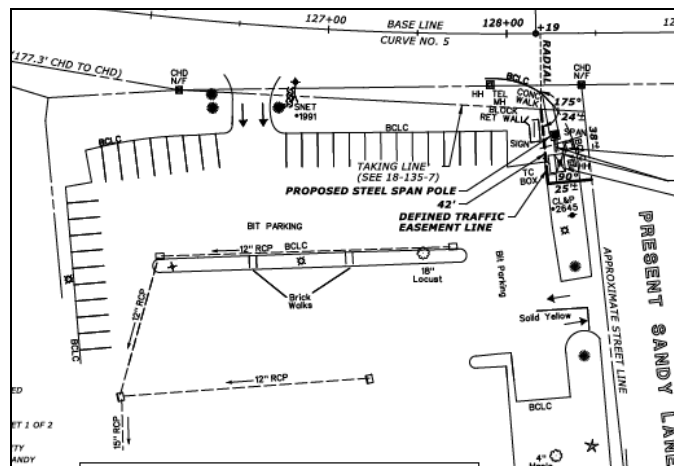
DAMAGES: \$11,000

On September 24, 2020, under PRB File #20-174, the Board approved a Voucher in the amount of \$29,000 for the DOT's acquisition of the following:

1. A partial take of 1,701± sq.ft. of land;
2. Right to grade acquired over an area of 675± sq.ft.; and
3. Right to install sedimentation control system acquired over an area of 130±LF.

Under this Proposal, DOT is now seeking Board approval for the \$11,000 acquisition of the following property rights:

1. A defined traffic easement to install and maintain traffic signalization devices and appurtenances acquired over an area of 979±LF.



Before Valuation: An appraisal was prepared by DOT appraiser James P. Mansfield as of July 1, 2021.

Land Valuation: Based on the sales comparison approach, the appraiser analyzed three sales of commercially-zoned land in Brookfield (2) and Danbury (1) concluded that the fair market value of the subject land was \$15/square foot, or

| Item | Calculation | Value |
|--------------------------|------------------------|----------|
| Defined Traffic Easement | 979 sf x \$15/sf x 75% | \$11,014 |
| | Total | \$11,014 |
| | <i>Rounded</i> | \$11,000 |

RECOMMENDATION: Board approval of damages in the amount of \$11,000 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 damages are supported by the DOT appraisal.

From PRB #20-174

DAMAGES: \$29,000

DOT PROJECT: The purpose of this project is to improve safety on the lower portion of Route 202 (Federal Road) for all users. The project limits are from the driveway of BJ's/Kohl's to the intersection of Route 202 (Federal Road) and Route 133 (Junction Road).

The project consists of four (4) intersection safety improvements:

- The construction of a southbound dedicated left-turn lane into Chick-Fil-A and Shop Rite plaza.
- The installation of a traffic signal at the intersection of Beverly Drive and Hardscrabble Road.
- The installation of a traffic signal at the southern intersection of Route 202 and Old New Milford Road.
- The removal of one of the two traffic signals at the northern intersection of Route 202 and Old New Milford Road.

The project also proposes the widening of the roadway along the corridor to provide 4-foot shoulders to improve safety for bicyclists. In addition, the project will include the construction of 5-foot sidewalks to accommodate pedestrian traffic along the corridor.

The present schedule indicates that the design will be completed in January 2021, with construction anticipated to begin in summer 2021. The estimated construction cost for this project is approximately \$6.0 million, anticipated to be undertaken with 80% federal funds and 20% state funds.

Subject Property Description, Before the Taking: The subject property (per appraisal) consists of a commercially-zoned, 148,278 square foot (3.404 acre) lot, improved with a single-tenant retail store containing 28,980 sf of gross building area, constructed in 1984. The property is located in an intensely developed retail/commercial neighborhood known as the 'Miracle Mile.'





Southeasterly.

Before Valuation: An appraisal was prepared by DOT appraiser James P. Mansfield as of December 6, 2019.

Land Valuation: Based on the sales comparison approach, the appraiser analyzed three sales of commercially-zoned land in Brookfield (2) and Danbury (1) concluded that the fair market value of the subject land was \$15/square foot, or

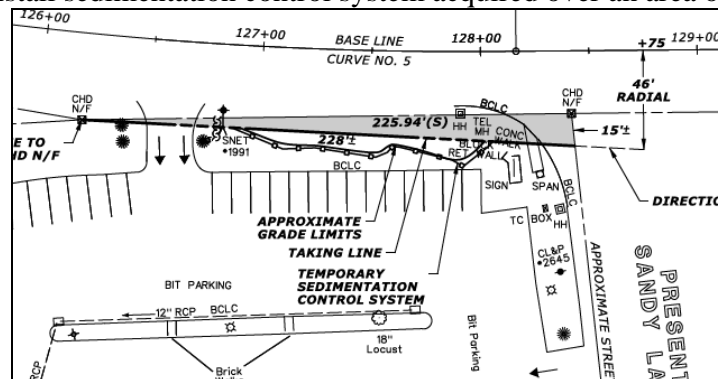
| Item | Calculation | Value |
|----------------------------|----------------------|-------------|
| Fee Simple | 148,278 sf x \$15/sf | \$2,224,170 |
| Affected Site Improvements | Lump Sum | \$2,000 |
| | Total | \$2,226,170 |
| | Rounded | \$2,226,000 |

Improvements within the taking area include curbing, asphalt pavement, concrete walkway and seeded lawn with the contributory value estimated at \$2,000.

Improvements on the site are not impacted and assigned an "X" value.

The Taking: DOT will acquire the following:

4. A partial take of 1,701± sq.ft. of land;
5. Right to grade acquired over an area of 675± sq.ft.; and
6. Right to install sedimentation control system acquired over an area of 130±LF.



After Valuation:

Land Valuation: Based on the sales comparison approach, the appraiser analyzed the same three sales of land in the Before and concluded that the fair market value of the subject land was \$15/square foot, or

| Item | Calculation | Value |
|------------|----------------------|-------------|
| Fee Simple | 146,577 sf x \$15/sf | \$2,198,655 |
| | <i>Rounded</i> | \$2,198,500 |

Calculation of Permanent Damages

| Item | Value |
|-------------------|-------------|
| Before Valuation | \$2,226,000 |
| After Valuation | \$2,198,500 |
| Permanent Damages | \$27,500 |

In addition to Direct Damages, DOT has awarded nominal damages to the Grantor to process the required zoning variance in the amount of \$1,500.

Notes on Conformance & Non-Conformance – Landscaping
 The acquisition of the 1,701± square feet parcel has a negative impact on existing landscaping. The Town of Brookfield’s requires a front yard buffer of 25 feet, per Article 6, Section 3 of the zoning regulations. After acquisition, the subject’s front yard buffer will not meet the minimum zoning requirements.

Additional landscaping requirements include a street frontage buffer of 1 shade tree and 2 understory trees per 50’ of frontage, as well as 6 shrubs per 50’ of frontage and a landscaped berm. The subject property currently does not meet these requirements but, as already mentioned, is considered a legal (pre-existing) non-conforming property.

It is reasonable to assume that the property will require a variance to account for the non-conformance of the subject parcel in regard to the landscaping requirement of the underlying zone. After speaking with the zoning officer from the Brookfield Planning and Zoning department, it is my understanding that this variance will not receive a high degree of scrutiny, given the underlying reason for the non-conformance. As such, for the purposes of this report, this appraiser is valuing the subject with the assumption that the variance shall be granted by the municipality. If it were found that assumptions made regarding the variance deviate from what is outlined within this appraisal report, this appraiser reserves the right to consider its effect on value. The costs associated with acquiring this variance is estimated by the appraiser at \$1,500.

RECOMMENDATION: Board approval of damages in the amount of \$29,000 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 damages are supported by the DOT appraisal.



5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

Board Members reviewed and discussed the draft copy of the Board's Annual Report to the Governor in preparation for the October 1, 2021 submission to the Governor.

8. VOTES ON PRB FILE:

PRB FILE #21-139 – Mr. Halpert moved and Mr. Valengavich seconded a motion to approve PRB FILE #21-139. The motion passed unanimously.

PRB FILE #21-150 – Mr. Valengavich moved and Mr. Halpert seconded a motion to approve PRB FILE #21-150. The motion passed unanimously.

9. NEXT MEETING – Thursday, September 30, 2021.

The meeting adjourned.

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