

STATE PROPERTIES REVIEW BOARD

Minutes of Meeting Held On November 8, 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 November 8, 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

Shane Mallory, Administrator DAS Leasing & Property Transfer

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 November 4, 2021 Meeting. The motion passed unanimously.

2. COMMUNICATIONS

3. REAL ESTATE- UNFINISHED BUSINESS

4. REAL ESTATE – NEW BUSINESS

<i>PRB #</i>	21-157
<i>Transaction/Contract Type:</i>	RE – Voucher
<i>Origin/Client:</i>	DOT/DOT
<i>Project Number:</i>	301-176-036
<i>Grantor:</i>	JGS Winfield, LLC
<i>Property:</i>	Norwalk, Winfield St (7, 9 & 11)
<i>Project Purpose:</i>	Norwalk Walk Railroad Bridge Replacement
<i>Item Purpose:</i>	Voucher

DAMAGES: \$200,000

DOT PROJECT: The DOT project involves the Norwalk Railroad Bridge replacement project in the City of Norwalk.



Google Earth

SITE DESCRIPTION: The property consists of three contiguous parcels containing a total of 25,526 square feet with a combined 175.29 feet of frontage on the northerly side of Winfield Street. All parking is located to the back of the improvements facing Winfield Street. Metro North railroad abuts the property to the rear. The East Norwalk Train Station is on the opposite side of the tracks. The parcels are improved with mixed use commercial/apartment building, a two family dwelling and a garage/apartment building. There are three commercial units and eight residential units.

The subject is located in the Light Industrial Zone and appears to conform to zoning. The subject's highest and best use as vacant is for mixed commercial/residential (TOD) development. The subject's highest and best use as improved is continuation of the existing uses for the remaining economic life of the improvements.

VALUATION: The DOT appraisal was completed July 1, 2021 by independent Appraiser Barbara J. Pape.

Before Valuation

Land Valuation: Based on the sales comparison approach, the Appraiser considered five commercially-zoned comparable sales in Norwalk (2018-2021) and concluded that the fair market value of the entire property (land only) is \$61/square foot. The value of the land, before the taking, is then 25,526 sq.ft. x \$61/sq.ft. = \$1,557,086, rounded to \$1,550,000.

Building Valuation:

Sales Comparison Approach: The Appraiser considered five commercially-zoned comparable sales in Norwalk (2019-2021) and concluded that the fair market value of the entire property was \$2,480,000, or \$226.44/square foot (rounded).

Income Capitalization Approach: The Appraiser analyzed five rentals of commercial space in Greenwich, Stamford, Ridgefield and Norwalk and concluded that the fair market rental value of the commercial space within the subject property was \$34/sf (net) for the smaller unit and \$5.500/month (\$32.26/sf-net) for the larger, owner-occupied unit.

The Appraiser analyzed nine rentals of residential units in a variety of building in Norwalk and

concluded that the fair market rental value of the residential units within the subject property was as follows:

Building #1:

Studio #1	450	4.11%	\$900	\$10,800	\$24.00	4.11%
Studio #2	450	4.11%	\$1,100	\$13,200	\$29.33	5.02%
Studio #3	450	4.11%	\$900	\$10,800	\$24.00	4.11%
Studio #4	450	4.11%	\$1,000	\$12,000	\$26.67	4.57%

Building #2:

Apt #1	625	5.71%	\$1,500	\$18,000	\$28.80	6.85%
Apt #2	630	5.75%	\$1,750	\$21,000	\$33.33	7.99%

Building #3:

Apt #1	740	6.76%	\$1,600	\$19,200	\$25.95	7.31%
Apt #2	739	6.75%	\$1,600	\$19,200	\$25.98	7.31%
Rear Apt	1,284	11.72%	\$2,300	\$27,600	\$21.50	10.50%

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

Gross Potential Income			\$274,521	\$22,877
Less Vacancy & Credit Loss	2.00%		(\$5,490)	
Effective Income			\$269,030	
Operating Expenses:	Per SF	Annually		As % of EFG
Real Estate Tax	\$4.11	\$38,903		14.46%
Utilities	\$0.74	\$7,016		2.61%
Insurance	\$1.48	\$14,000		5.20%
Maintenance/Repairs	\$2.38	\$22,500		8.36%
Reserves	\$0.53	\$5,000		1.86%
General Administration	\$0.26	\$2,500		0.93%
Management	\$0.70	\$6,657		2.50%
Total Expenses	\$10.20/SF	\$96,576	(\$96,644)	35.92%
Net Operating Income			\$172,386	
Capitalization Rate			7.00%	
Capitalized Value			\$2,462,654	
Indicated Value, Rounded			\$2,465,000	\$225/SF

Reconciliation and Value Conclusion - Before

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$1,550,000
Income Capitalization Approach – Building	\$2,480,000
Sales Comparison Approach Building	\$2,465,000
Conclusion of Market Value	\$2,475,000

DOT ACQUISITION: The DOT acquires the acquisition of the following easements:

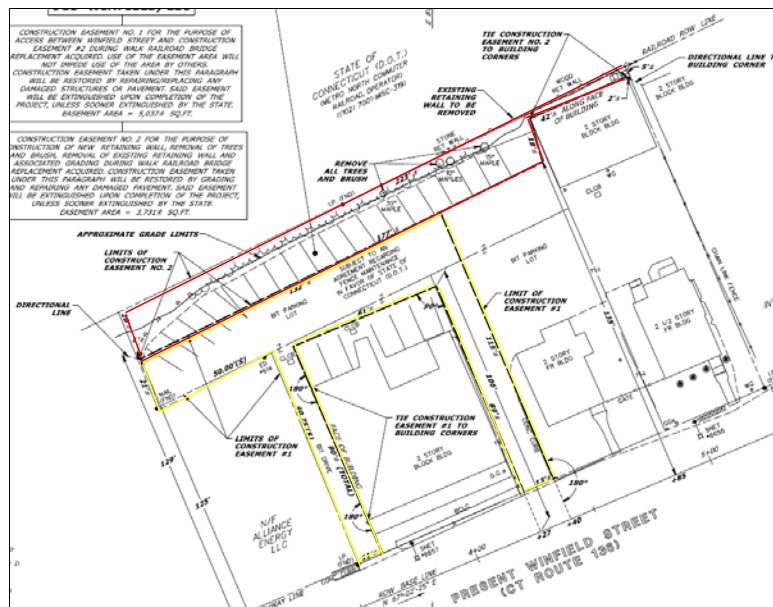
1. Temporary Construction Easement Number 1 contains 5,037+/- sq. ft. and is for access between Winfield Street and temporary Construction Easement No. 2 during Walk Railroad Bridge Replacement. Use of the easement area will not impede use of the area by others. The construction easement will be restored by repairing/replacing any damaged structures or pavement. This easement will be extinguished upon completion of the project, unless sooner extinguished by the State. The temporary Construction Easement areas are anticipated to be needed for 2 and a half years.
2. Temporary Construction Easement Number 2 contains 3,731+/- sq. ft. and is for the construction of a new retaining wall, removal of trees and brush, removal of existing retaining wall and associated grading. The construction easement will be restored by grading and repairing any damaged pavement. This easement will be extinguished upon completion of the project, unless

sooner extinguished by the State. The temporary Construction Easement area is anticipated to be needed for 2 and a half years.

EFFECTS OF THE DOT ACQUISITION:

Construction Easement #1 is located to the north, east, and west of the building located at 9 Winfield Street. The areas to the east and west of the building consist of the driveways from Winfield Street to the parking lot located to the north of the building. While a portion of the parking spaces are located within this easement area, the purpose of the easement is solely for access to temporary Construction Easement No. 2.

Construction Easement #2 is located to the north of Construction Easement No. 1. It should be noted that 18 parking spaces are located within the easement area. No more than six parking spaces at a time within the easement area will be impacted throughout the project's 2.5 year construction period. The six parking spaces equal approximately 20% of the overall parking located on the subject property.



After Valuation

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

Extraordinary Assumptions - None

Hypothetical Conditions

- ✦ We requested but did not receive copies of the commercial lease documents or residential rental agreements. Therefore it was assumed that there is no language, clause or condition that would impact revenue to the owner for a temporary loss of parking.
- ✦ We requested but were not granted access to the residential units. We researched online sites and data bases for information regarding their size, finish and composition. We rely on the information obtained from the sites as referenced. WE assumed the reported renovations had been performed.
- ✦ We were provided with information regarding the timing and uses for the Construction Easements. Due to the number of phases (unknown), location within the site (six spaces per phase), we assumed a two and one half (2.5) year period for construction.
- ✦ Due to the removal of trees and brush and installation of a stone/masonry retaining wall we assumed the site aesthetics change.

After Valuation:

The Appraiser's value indications were unchanged from the Before Valuation.

Reconciliation and Value Conclusion - After

Approach	Opinion of Market Value
Sales Comparison Approach - Land	\$1,550,000
Income Capitalization Approach – Building	\$2,480,000
Sales Comparison Approach Building	\$2,465,000
Conclusion of Market Value	\$2,475,000

Calculation of Permanent Damages

Item	Value
Before Valuation	\$2,475,000
After Valuation	\$2,475,000
Permanent Damages	\$0

Calculation of Temporary Damages

Construction Easement Area #1	5,037 sf x \$61/sf x 15% x 2.5 years	\$115,221
Construction Easement Area #2	3,731 sf x \$61/sf x 15% x 2.5 years	\$85,347
	Total	\$200,568
	Rounded	\$200,000

RECOMMENDATION: Board approval of damages in the amount of \$200,000 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.
3. The valuation of the land is consistent with other land reviewed under PRB #18-078 and #21-114.

5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS

6. ARCHITECT-ENGINEER - NEW BUSINESS

7. OTHER BUSINESS

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Open Session and into Executive Session at 9:56. The motion passed unanimously. Mr. Mallory was invited to attend the Executive Session at 10:41. He left the Executive Session at 11:34.

EXECUTIVE SESSION

PRB #: 21-104
Transaction/Contract Type: RE/ Lease
Origin/Client: DAS/ DCF

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

Mr. Valengavich moved and Mr. Halpert seconded a motion to go out of Executive Session and into Open Session at 11:36. The motion passed unanimously.

8. VOTES ON PRB FILE:

PRB FILES #21-157 – Mr. Berger moved and Mr. Valengavich seconded a motion to approve PRB 21-157. The motion passed unanimously.

9. NEXT MEETING – Friday, November 12, 2021.

The meeting adjourned.

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