

## STATE PROPERTIES REVIEW BOARD

### Minutes of Meeting Held On December 9, 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 December 9, 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 December 6, 2021 Meeting. The motion passed unanimously.

#### **2. COMMUNICATIONS**

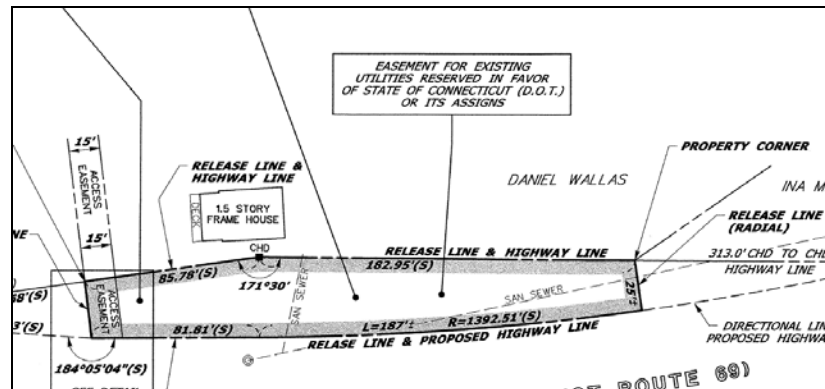
#### **3. REAL ESTATE- UNFINISHED BUSINESS**

#### **4. REAL ESTATE – NEW BUSINESS**

<b>PRB #</b>	21-173
<b>Transaction/Contract Type:</b>	RE – Sale by Sole Abutter Bid
<b>Origin/Client:</b>	DOT/DOT
<b>Project Number:</b>	166-000-42A
<b>Grantee:</b>	Daniel Wallas
<b>Property:</b>	Wolcott, Wolcott Rd (9,170 sf)
<b>Project Purpose:</b>	Sale by Sole Abutter Bid
<b>Item Purpose:</b>	Quit Claim Deed

**Sale Price:** \$19,000 (plus \$1,000 Admin Fee)

Under this Proposal (PRB #21-173) DOT is seeking SPRB approval to this Sale by Sole Abutter Bid to release this irregular-shaped parcel of land totaling 9,170± sf square feet of land to the Abutter located at 605 Wolcott Rd, Wolcott.



Project Background: The following Bill was raised during the January 2021 Legislative Session.

Substitute House Bill No. 6678  
Special Act No. 21-31

AN ACT CONCERNING THE CONVEYANCE OF A PARCEL OF STATE LAND IN THE TOWN OF WOLCOTT.

Section 1. (Effective from passage) (a) Notwithstanding any provision of the general statutes, the Commissioner of Transportation shall convey to Daniel Wallas of Wolcott a parcel of land located in the town of Wolcott, at the cost of six thousand dollars, plus the administrative costs of making such conveyance. Said parcel of land has an area of approximately .21 acre and is identified as the parcel shown as "RELEASE AREA" on a map entitled "Preliminary, Compilation Plan, Town of Wolcott Map Showing Land Released to Daniel Wallas By the State of Connecticut, Department of Transportation, Wolcott Road (CT Route 69), Scale 1"=40', September 2019, Mark D. Rolfe, P.E., Chief Engineer-Bureau of Engineering and Construction". The conveyance shall be subject to the approval of the State Properties Review Board.

DOT Commissioner Joseph Giulietti's written testimony for the May 14, 2021 Public Hearing is as follows:

**Raised H.B. 6678 – Wolcott**

CTDOT is opposed to the conveyance proposed in Raised H.B. 6678. As written, the bill requires the Department to transfer property to Daniel Wallas for \$6,000 plus administrative costs, which is less than the fair market value of the property.

In 2019, Mr. Wallas approached the Department to purchase the property outlined in bill for parking required for his business and the Department approved the sale. The Department prepared an appraisal report in accordance with CGS 13a-80 which determined the value of the property to be \$27,000. The State's appraiser valued the property in assemblage to the adjacent property owned by Mr. Wallas which conforms to industry standard. Mr. Wallas submitted his own appraisal report which estimated the value to be between \$7,000 - \$11,000 which valued the parcel as a stand-alone nonconforming parcel of land. Mr. Wallas offered to pay \$15,000 for the property, however, the Department did not believe that it could support this value to the Office of Policy and Management and the State Property Review Board as required by statute. As such, negotiations failed, and Mr. Wallas decided to enter into a lease agreement for the property and currently pays \$245.00 per month in rent.

CTDOT believes this property transaction should not circumvent the fair market value requirements prescribed under CGS 13a-80.

The Bill was passed by both the House and Senate and transmitted to the Governor for action on June 30, 2020.

Governor Lamont's July 13, 2021 veto message is as follows:

Dear Madam Secretary:

I hereby return, without my signature, House Bill 6678, *An Act Concerning the Conveyance of a Parcel of State Land in the Town of Wolcott*. The bill would require the Department of Transportation to sell a parcel of property to an individual private business owner for \$6,000 plus the administrative costs of making the conveyance.

This bill comes after negotiations between the private individual, who is leasing the property, and the Department of Transportation (DOT) failed to produce a sales price that the department could reasonably justify to the Office of Policy and Management (OPM) or the State Properties Review Board as being in the best interest of Connecticut and its taxpayers. The \$6,000 sales price required by the legislation is less than one quarter of the appraised fair market value for the property. My administration has not been informed of any extenuating circumstance or other justification for turning over a taxpayer asset to a private interest for far less than fair market value. Accordingly, the DOT and OPM both provided testimony opposing this bill as drafted.

For these reasons, I disapprove of House Bill 6678, *An Act Concerning the Conveyance of a Parcel of State Land in the Town of Wolcott*. Pursuant to Section 15 of Article Fourth of the Constitution of the State of Connecticut, I am returning House Bill 6678 without my signature.

The Release Area is comprised of an irregular-shaped parcel containing 9,170± square feet with 268.81' of frontage on the westerly side of Wolcott Rd (Rt 69). The parcel is not located within a flood zone and or affected by inland wetlands. The property is located in the GC General Commercial zone requiring a minimum lot size of 40,000 square feet. Given the size requirements, the release parcel cannot be developed on its own. The State is retaining an existing easement for utilities and a 15' wide access easement over the southerly portion benefits the abutter.

The Appraiser opined the highest and best use of the release parcel would be for assemblage to the sole abutter to allow for development to occur.

The sole abutter located at 605 Wolcott Road consists of a 28,240 sq.ft., irregular-shaped parcel, with 268.73 feet of frontage on the westerly side of Wolcott Road. The property was acquired out of foreclosure on May 19, 2019, for \$87,500 with the improvements razed to permit redevelopment of the site. The rear of the site borders the Mad River. Public sanitary sewers and public water are available to the site.



(Improvements razed)



(Courtesy: dannysgrills.com)

Upon assemblage the property will consist of 37,410± sq. ft. with 268.81± feet of frontage on Wolcott Road.

The valuation of the subject property is subject to the following Extraordinary Assumptions and Hypothetical Conditions: None.

**Valuation** – With the release of this parcel via a Sale by Sole Abutter Bid, DOT Appraiser Anthony John DeLucco appraised the property (Short Form Value Finding), as of December 23, 2019, in both the Before and After assemblage. Based on the sales comparison approach, the Appraiser utilized four sales of similarly-zoned land in Bristol and Southington that sold in 2018-2019 and concluded the fair market value of the Larger Parcel (land only) was  $\$4.00/\text{sf} \times 28,314 \text{ sf} = \$113,256$ , rounded to \$113,500. It appears there was an error regarding the Appraisers calculation (28,314 sf vs 28,240 sf) and should have utilized the following:  $\$4.00/\text{sf} \times 28,240 \text{ sf} = \$112,960$ , rounded to \$113,000.

In the After Valuation, the Appraiser utilized the same three sales and concluded the fair market value of the subject property, as assembled, was  $\$3.75/\text{sf} \times 37,410 \text{ sf} = \$140,288$ , rounded to \$140,500.

**Value of the Release**

	Appraisal	Staff Correction
After Valuation	\$140,500	\$140,500
Before Valuation	\$113,500	\$113,000
Value of Release	\$27,000	\$27,500

**Sale by Abutter Bid & Negotiations –**

On December 23, 2019, an appraisal prepared by Staff Appraiser Anthony J. Delucco, established a fair market value of \$27,000.00. On January 7, 2020, the property was offered to Mr. Wallas for a sale price of \$36,000.00 (which included a \$1,000.00 administrative fee). Mr. Wallas did not agree with the sale price, and, therefore, on January 11, 2020 he counteroffered with an offer of \$9,000.00, in which the Department did not accept. Mr. Wallas followed up with a second and third counteroffer with \$18,000.00 (including \$1,000.00 administrative fee) being his final highest and best offer. The Department was not willing to accept his final offer at that time given that it was not within a reasonable range of the appraised value. Therefore, Mr. Wallas opted to lease the subject parcel, and is currently paying the Department \$245.00 a month.

On July 21, 2021, Mr. Wallas submitted a written offer to purchase the State land for a sale price of \$19,000.00 in which the Department has agreed to accept (see attached Administrative Acceptance). A \$1,000.00 administrative fee will be collected at the time of closing.

Based on the \$245 monthly rent payment and \$27,000 appraised value, the land rental is 10.9% of the market value on an annual basis.

DOT informed Staff that the Petitioner has paid \$245/month commencing in May 2020, or a total of \$4,165, through September 2021. DOT has notified the Petitioner that October and November 2021 rent is due prior to closing (\$4,655 total). On November 3, 2021, DOT informed Staff that the Petitioner made a rental payment to be current with the terms of the lease.

**Recommendation** – Staff recommend **approval** of the proposed Sale by Sole Abutter Bid in the amount of \$19,000 (plus \$1,000 Admin Fee) for the following reasons:

- The proposed sale complies with Sections §3-14b(b), and §13a-80 of the CGS in that the Town of Wolcott declined the purchase and the legislative delegation received the required notification on August 20, 2021;
- The release value of \$19,000 is represents 70.4% of the appraised value; however, total revenue received from the Petitioner is \$23,655, (\$19,000 + 4,655 = \$23,655), or 86% of the appraised value and it will return the property to the Town of Wolcott tax rolls and relieve the State of all future expenses; and
- The description in the Quit Claim Deed is consistent with the compilation map to be filed in the Town of Wolcott Land Records.

**5. ARCHITECT-ENGINEER - UNFINISHED BUSINESS**

**6. ARCHITECT-ENGINEER - NEW BUSINESS**

**7. OTHER BUSINESS**

**8. VOTES ON PRB FILE:**

**PRB FILE #21-173** – Mr. Valengavich moved and Mr. Berger seconded a motion to approve PRB 21-

173. The motion passed unanimously.

**9. NEXT MEETING** – Monday, December 13, 2021.

The meeting adjourned.

**APPROVED:** \_\_\_\_\_ **Date:** \_\_\_\_\_  
John Valengavich, Secretary